

**Comments Template on
Consultation Paper on on the Proposal for Guidelines
on the System of Governance**

**Deadline
19 June 2013
12:00 CET**

Name of Company:	Danish Insurance Association (DIA)	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-13-008@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the Technical Annexes II and III.</p>		
Reference	Comment	Resolution
General Comment	<p>Reference is made to the public consultation on Guidelines on preparing for Solvency II, the proposal for Guidelines on the System of Governance. The Danish Insurance Association (DIA) appreciates the opportunity to give response on the interim measures.</p> <p>DIA welcomes the effort to establish a level playing field among the insurance companies in Europe. Nevertheless DIA has observed that this effort is made before the existence of a final political agreement on Solvency II. Regulation should be based on an observed need</p>	

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for chances in the insurance industry which has been agreed upon in the political process. With that in mind, it is of some concern to the DIA that Guidelines are made before an agreement of the future regulation is established. It seems unclear, how these guidelines build on existing regulation.

Our concern is therefore, that the guidelines will not be implemented in the same way in all member countries. For that reason it is the opinion of the DIA, that Guidelines should be applicable by a comply or explain principle, not only for the competent authority but also for the insurance companies.

It is therefore of great importance, that no competent authorities are supposed to make new national regulation to comply with this set of standards, as the guidelines are not at this stage a matter of proven best practice. Further DIA suggest, that the use of thresholds mentioned in the cover note, page 9 to 11, are used also on the guidelines on governance, as a longer period of phasing in is needed for the small and medium sized undertakings.

**Introduction General
Comment**

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Section I. General Comments		
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1.14	The fit and proper requirement for a person with the overall responsibility for the outsourced key function must be proportionate to the volume of the outsourced function, as this requirement does not make sense for smaller companies or companies that only uses outsourcing to a small extend. In these cases it must be sufficient, that the management can assure that the outsourcing of key functions meets the fit and proper requirement to the extend that the undertaking has set up fit and proper requirements that the outsourcing company shall meet.	
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Section II. General Comments		
Chapter I General Comments		
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Chapter II General Comments		
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Chapter III General Comments		
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1.49	Nature, scale and complexity is of great importance when defining those outsourcing activities covered by the guidelines. DIA suggest, that only outsourcing of essential activities are covered by the outsourcing definition. Further reference is made to Guideline 14.	
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Chapter IV General Comments		
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Chapter V General Comments		
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Chapter VI General Comments		
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Chapter VII General Comments		
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Chapter IX General Comments		
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Section III. General Comments		
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Compliance and Reporting Rules General Comments		
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Impact Assessment – General Coments		
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