

Comments Template on Consultation Paper on Proposal for Guidelines on Pre-application for Internal Models		Deadline 19 June 2013 12:00 CET
Name of Company:	Polish Chamber of Insurance	
Disclosure comments:	of 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"> ⇒ <u>Do not change the numbering</u> 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-13-011@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p>		
Reference	Comment	Resolution
General Comment	<p>There are fundamental concerns regarding the implementing of the regulatory framework which is neither entirely defined on an European level nor implemented into local national legislation. The pillar one which is a basis for the regulatory framework is still not defined and the core conceptual piece, economic evaluation of the balance sheet, is still under discussion as the adjustment mechanisms are still in the phase of testing. The quantitative part of the framework (pillar one) is the base for two other pillars. Without deciding upon the final shape of pillar one two remaining pillars could be hardly implemented, especially in the context of calculation solvency position in ORSA and building the reporting tools for the supervisory reporting. Forcing insurers to comply with regulations which are not legally binding and may be significantly changed may lead to huge investments both in money terms and human resources which in the end could be a waste of money.</p> <p>Without deciding upon the final shape of the solvency framework the phasing in should be limited to</p>	

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implementing soft elements, like corporate governance, limited reporting similar to QIS exercises if necessary. All the Stakeholders should seriously consider the costs and organizational/regulatory risks which would be certainly associated with partial implementation as in the end it will jeopardize confidence for the insurance sector creating systemic risk and transferring additional costs for consumers.
There should be an alternative proposal in case Omnibus II is not voted at the latest in October 2013

**Introduction.
General Comment**

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Section I. General Comments		
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Section II. General Comments		
Chapter 1. General Comments		
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1.22.	The wording should include « continuous ». « National competent authorities should provide <i>continuous</i> feedback to the undertaking on the reviews they carry out on the internal model for the purposes of pre-application ». It is critical for the timely process that the undertaking get the feedback in a timely manner not at the end of the process.	
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Chapter 2. General Comments		
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Chapter 3. General Comments		
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Chapter 4. General Comments		
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Chapter 5. General Comments		
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Chapter 6. General Comments		
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Chapter 7. General Comments		
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Chapter 8. General Comments		
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Chapter 9. General Comments		
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Chapter 10. General Comments		
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Chapter 11. General Comments		
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Chapter 12. General Comments		
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1.179.	<p>Allocation of tasks should allow for appropriate knowledge and ensure consistency in approaches of checking a particular area.</p> <p>In particular the work plan should include consistent approach to be agreed for on-site and off-site activities. It would be inefficient that supervisors do not follow the same approach when verifying the pre-application documentation in different countries. E.g. the same part of the documentation could meet the standards of the supervisor in one country and not in another country (or validation or any other standard).</p>	

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	Consistency on a group level is as important as consistency at the level of the different NCAs	
1.180.	<p>It is important to set up an appropriate monitoring of agreed work plan among the supervisors in order to ensure that each authority follows the agreed allocation of tasks and work plan. In case an authority does not follow the allocation of tasks and / or work plan, the group supervisor should have authority to impact the respective authority actions and if needed override its decisions.</p> <p>We think that for a specific country the local NCA should be the final authority to make a decision in case of different opinions issued by the supervisors. The local NCA is the NCA who knows much more about the risks involved in the country they are responsible for.</p>	
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Compliance and Reporting Rules		
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Impact Assessment - General Coments		
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