

**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:	Polish Chamber of Insurance	
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		
Introduction General Comment		
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Section I. General Comments		
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Section II. General Comments		
Chapter I General Comments		
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1.18	The industry would welcome specific guidelines how the operational independency is achieved in practice. E.g. if it is required to have the key functions separated for some size of the company or	

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	it would be up to the undertaking to set the organizational structure and separate respective responsibilities.	
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1.21	<p>Compliance function is mentioned only in G5. Is it on purpose that there is no further guideline regarding compliance function? We would welcome some specific guidelines on this key function.</p> <p>It would be extremely important to have confirmed by the guidelines if the Actuarial Key Function belongs to 1st or 2nd line of defence. Based on this it would be possible to understand precisely the responsibility of the Actuarial Function in respect of e.g. reserving calculations.</p>	
1.22	See comment to 1.21.	
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1.28	The documentation requirements including strategies, policies and procedures for each key function seems to be very extensive.	
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Chapter II General Comments		
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1.34	A clear definition of « key function » is required in terms if this is a person(s) supervising the activities in the respective areas of key functions or all people involved in all the tasks of the functions. In this context it is crucial to identify the persons who should meet the requirements of fit and proper.	
1.35	See 1.34	
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Chapter III General Comments		
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1.46	We believe it would be extremely difficult to take into account in stress scenarios such risks as legal or reputational risk. It would be worth creating a general base of operational risk scenarios (similar to Basel).	
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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 VIII General Comments	What exactly is the actuarial function? If undertaking employs an actuary to calculate provisions (for accounting purposes or BE), must it employ second qualified person for validation these calculations? What exactly is the conflict of interest? Does the segregation of duties depend on the size of the undertaking ?	
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Chapter IX General Comments		
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1.89	It is critical to confirm that the undertaking is not obliged to continuously verify the fit and proper requirements regarding intermediaries, i.e. to confirm that insurance intermediary is not a person underwriting the risks unless is given such authority. Such clear guidelines would enable to put precise wording into the national law on fit and proper requirements.	
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1.91	Exit strategy in each outsourcing contract is far beyond normal governance principles. The rationale is that under normal management rules it is not always possible or practicable to have an exit strategy for each outsourcing contract.	
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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