

**Comments Template on Consultation Paper on the proposal for implementing technical standards on the process to reach a joint decision for group internal models**

**Deadline  
30 June 2014  
23:59 CET**

Name of Company:	Deloitte Touche Tohmatsu	
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"> <li>⇒ Do <b>not</b> change the numbering in the column "reference"; <b>if you change numbering, your comment cannot be processed by our IT tool</b></li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ 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>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, in Word Format, to <a href="mailto:CP-14-006@eiopa.europa.eu">CP-14-006@eiopa.europa.eu</a>. Our IT tool does not allow processing of any other formats.</b></p> <p>The numbering refers to Consultation Paper on the proposal for implementing technical standards with regard to the procedures to be used for granting supervisory approval for the use of ancillary own-fund items.</p>		
<b>Reference</b>	<b>Comment</b>	
General Comments	<p><b>Comment:</b> Overall, the roles of the supervisors within the college and the role of the group supervisor are not well defined in relation to the process to reach a joint decision for group internal models. This has the potential to be confusing for supervisors, confusing for firms and result in the process not running efficiently.</p> <p><b>Proposed update(s):</b> We propose that two additional recitals are added and additional roles and responsibilities are explicitly identified within the articles. We set out here our proposed additional recitals, and set out below our proposed updates to the articles aligned to these recitals. We propose the following wordings:</p>	

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	'(8) In order to manage the process efficiently and effectively, the group supervisor should take a leading role in managing the review of the application for internal model approval. This includes leading the planning of the review and tracking of delivery against the milestones agreed with the supervisory authorities within the college. (9) In order to deliver a joint decision for group internal model applications, the supervisory authorities should agree a plan and inform the insurance and reinsurance undertakings of this plan. This will enable the undertakings to identify delivery issues and enable escalation of issues to EIOPA.'	
Recital (1)		
Recital (2)		
Recital (3)		
Recital (4)		
Recital (5)		
Recital (6)		
Recital (7)		
Article 1		
Article 2		
Article 3 (1)	<b>Comment:</b> We would suggest that the process will run more smoothly if the main steps and deliverables are standard across all applications. This will enable better planning for both the supervisory authorities and the insurance and reinsurance undertakings. We also suggest that the plan is shared with the insurance and reinsurance undertakings so that they can plan their resource availability around the supervisory activities that are likely to take place. <b>Proposed update(s):</b> We propose that the common steps and deliverables are included in this article once defined. We also propose that the following wording is added to the end of the paragraph: 'The group supervisor should provide the insurance and reinsurance undertakings with a timeline of the main steps to enable	

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	resource planning.'	
Article 3 (2)	<p><b>Comment:</b> We suggest that the outcomes of these discussions should be shared with the insurance and reinsurance undertakings to keep them informed.</p> <p><b>Proposed update(s):</b> We propose that the following wording is added to the end of the paragraph: 'The group supervisor should inform the insurance and reinsurance undertakings of any legal impediments or internal/external processes that potentially restrict the ability of the college to deliver on the plan for reviewing the application for internal model approval.'</p>	
Article 3 (3)		
Article 3 (4)		
Article 3 (5)	<p><b>Comment:</b> This article does not provide any indication to the insurance and reinsurance undertakings that the application may not be approved. We would suggest that a period of time is set before the 6 months completes at which the firm is notified that they should commence execution of their contingency plans.</p> <p><b>Proposed update(s):</b> We propose that the paragraph is reworded as follows: 'If it is likely that no satisfactory solution will be reached, the group supervisory should notify the insurance and reinsurance undertakings at least 6 weeks prior to the end of the 6 month review period in order that contingency plans can be executed. If a formal decision is reached amongst the college that a decision cannot be reached, the group supervisor should refer the matter to EIOPA and notify the firm of this outcome.'</p>	
Article 4 (1)		
Article 4 (2)		
Article 4 (3)		
Article 4 (4)		
Article 4 (5)		
Article 4 (6)		

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Article 4 (7)	<p><b>Comment:</b> We suggest that communication is provided to the undertakings at this point in time.</p> <p><b>Proposed update(s):</b> We propose that the following wording is added to the end of the paragraph: 'The group supervisor should provide the insurance and reinsurance undertakings with communication on the outcomes of the discussion of the proposed decision.'</p>	
Article 5 (1)	<p><b>Comment:</b> We suggest that communication is provided to all impacted undertakings at this point in time.</p> <p><b>Proposed update(s):</b> We propose that the following wording is added to the end of the paragraph: '(c) the group supervisor should provide instruction for communication of the outcome to confirm that all impacted undertakings receive appropriate communication of the outcome.'</p>	
Article 5 (2)		
Article 5 (3)		
Article 6 (1)	<p><b>Comment:</b> We suggest that communication is provided to all impacted undertakings at this point in time.</p> <p><b>Proposed update(s):</b> We propose that the following wording is added to the end of the paragraph: 'The group supervisor should provide instruction for communication of the outcome to confirm that all impacted undertakings receive appropriate communication of the outcome.'</p>	
Article 6 (2)		
Article 6 (3)		
Article 7		
Annex I		