

Comments Template on Implementing Technical Standards with regard to the Supervisory Approval Procedure to use Undertaking-Specific Parameters		Deadline 30 June 2014
Name of Company:	THE INTERNATIONAL UNDERWRITING ASSOCIATION OF LONDON (IUA)	
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, <u>in Word Format</u>, to CP-14-009@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering refers to Implementing Technical Standards On the procedures to be followed for the approval of the application of a matching adjustment.</p>		
Reference	Comment	
General Comment	<p>We welcome this necessary implementing technical standard. Many undertakings, particularly those trading outside Europe will be relying on the use of USPs to reflect their specific profile of risk and liability, notably with regard to major catastrophe cover in other continents. It will, consequently, be essential that such risks are covered in the non-life risk module. As the proposals are currently drafted, however, the different parameters that can be covered by a USP is limited. We believe it to be important that the list should be opened up to ensure that the specific profile of such companies is fairly catered for.</p> <p>For similar reasons, instead of maintaining a set list of standardised methods to support the parameters, it will also be essential, in order to reflect complex and evolving reality to</p>	

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	<p>maintain procedures for evaluating and recognizing the validity and suitability of new and old methods.</p> <p>Many companies will need to be able to use the USPs on the day when Solvency II comes into effect. Procedures will therefore need to be introduced to permit pre-approval. We are also concerned about the potential damage to a firm if a supervisor does not provide a response within the approval deadline. In our view, in those circumstances, the application should be deemed approved. We believe that the supervisory authority should implement an active internal policy of ensuring that approvals are provided within a reasonable timescale and certainly within the prescribed timescale. There should be full clarity about the timeline for approval and a regular dialogue with the firm about progress and any issues that may arise.</p>	
Recital (1)		
Recital (2)		
Recital (3)		
Recital (4)		
Recital (5)	When the application is not complex and is based on standardised methods that are familiar, three months would appear a more reasonable timescale for approving USPs, against the background of internal model approval in six months,	
Recital (6)		
Recital (7)		
Recital (8)		
Recital (9)		
Recital (10)		
Recital (11)		
Article 1 (1)		
Article 1 (2)		

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Article 1 (3)		
Article 1 (4) a		
Article 1 (4) b	As indicated in our general comment, under the proposals as currently drafted, the different parameters that can be covered by a USP is limited. We believe it to be important that the list should be opened up to ensure that the specific profile of different companies is fairly catered for.	
Article 1 (4) c	As indicated in our general comment, instead of relying on a set list of standardised methods to support the parameters, it will be important to have recourse to other suitable standardized methods , where appropriate, in order to reflect the variety and complexity of the business environment.	
Article 1 (4) d	When selecting a method for calculating the SCR, suitability in relation to the undertaking's risk profile will be the primary consideration rather than the amount of SCR. We suggest, therefore, that it would be helpful, for the sake of clarification, if the linkage to the ORSA which is contained in the explanatory text 4.1 (b) were brought into the main text.	
Article 1 (5)		
Article 2 (1)		
Article 3 (1)	It appears to us that paragraphs 3(1) and 3(2) are in the wrong order. As indicated in our general comment, we believe that alternative standardised methods should be considered to take into account the specificities of the undertaking and the business in which it is engaged. In addition, it is not clear whether "accuracy of results" means "consistency of results" or "suitability in relation to the risk profile of the company".	
Article 3 (2)	Please see our response to 3 (1).	
Article 4 (1) a		
Article 4 (1) b		
Article 4 (2)	Please see our response to 3 (1).	

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Article 5 (1)		
Article 5 (2)		
Article 5 (3)		
Article 5 (4)		
Article 5 (5)		
Article 5 (6)	Please see our response to Recital 5.	
Article 5 (7)		
Article 5 (8)	Please see our General Comment.	
Article 6 (1)		
Article 7 (1)		
Article 8 (1)		
Article 9 (1)		
Article 9 (2)		
Annex I: Procedural issues and consultation of interested parties		
Annex I: Problem definition		
Annex I: Proportionality		
Annex I: Baseline		
Annex I: Objective pursued		
Annex I: Policy options - Policy issue 1		
Annex I: Policy options - Policy issue 2		
Annex I: Policy options - Policy issue 3		
Annex I: Policy options - Policy issue 4		

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Annex I: Policy options - Policy issue 5		
Annex I: Policy options - Policy issue 6		
Annex I: Policy options - Policy issue 7		
Annex I: Analysis of impacts		
Annex I: Comparing the options		