

**Comments Template on Consultation Paper on the proposal for
implementing technical standards on internal models approval processes**

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

Name of Company:	University of Barcelona Riskcenter-IREA, Dept. Econometrics	
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-14-005@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs 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>		
Reference	Comment	
General Comments	References to Article 114(2)(a) and (b) of Directive 2009/138/EC is ambiguous. Does it refer to L335/56 and 57 (December 17, 2009, Official Journal of the European Union)? In that case, what do (a) and (b) refer to?	
Recital (1)		
Recital (2)		
Recital (3)		
Recital (4)		

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Recital (5)		
Recital (6)		
Recital (7)		
Recital (8)		
Recital (9)		
Recital (10)		
Article 1		
Article 2 (1)		
Article 2 (2)		
Article 2 (3)	<ul style="list-style-type: none"> • [Article 2(3)(a)(iv)]: <ul style="list-style-type: none"> ○ When is a reinsurance or insurance undertaking obliged to start a new application for an internal model? ○ If a group acquired a new insurance or reinsurance company, does this necessarily imply that a new application for a new internal model such be started? • [Article 2(3)(a)(v)] Reference to Article 308(a)(2) of Directive 2009/138/EC is ambiguous. Does it refer to L335/115 (December 17, 2009, Official Journal of the European Union)? In that case, what does (a) refer to? • [Article 2(3)(l,q)]: <ul style="list-style-type: none"> ○ What is the exact definition of a <i>major business unit</i>? Is it the one stated in CEIOPS-DOC-61/10 of January 2010? ○ Can one major business unit be defined as such if it represents a substantial percent volume of premia? Simultaneously, can another major business unit be considered as such due to its strategic value for the company? ○ Is it possible to have different major business units definitions for different insurance companies of the same group? ○ In case of a partial internal model for underwriting non-life risk, is it refereeing to line of business, or an aggregation of them? • [Article 2(3)(f)]: When a business unit has not enough historical statistical information to be modelled independently in an internal model, should it be modeled together with another business unit with more data even if the latter is managed by another party within the company? Or should it necessarily be modeled together with other business units under the same 	

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	<p>management unit?</p> <ul style="list-style-type: none"> • [Article 2(3)(o)]: How is the use of external data regulated? Is there a directory of firms and institutions that are entitled to provide data to insurance or reinsurance undertakings for their use in internal models? Can external data be public? Can external data be purchased? If data providers sell data bases to insurance or reinsurance undertakings for the internal model, should those data be accessible to regulators? • [Article 2(3)(p)] The article mentions “most granular level” according to the insurance or reinsurance undertaking risk categorization. Does this refer to line of business, or risk categorization sub-modules as premium and reserve, CAT and so on? 	
Article 2 (4)		
Article 2 (5)		
Article 3	<ul style="list-style-type: none"> • [Article 3(1)(c)]: <ul style="list-style-type: none"> ○ Who will determine the classification of what is a minor or a major change, in case of disagreement between supervisory authorities and the insurance or reinsurance undertaking? ○ Can the classification of a minor or a major change in the internal model depend on the impact of SCR? ○ If the Partial Internal Model (PIM) runs simulations to establish the final result. Will a change in the number of simulation iterations be considered as a major change? ○ If the Partial Internal Model (PIM) runs simulations to establish the final result. Will a change in the chosen copula be considered as a major change? 	
Article 4 (1)		
Article 4 (2)		
Article 4 (3)		
Article 4 (4)		
Article 4 (5)		
Article 4 (6)		
Article 4 (7)		
Article 4 (8)		
Article 4 (9)		

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Article 5		
Article 6 (1)		
Article 6 (2)		
Article 6 (3)		
Article 6 (4)		
Article 6 (5)		
Article 6 (6)		
Article 7 (1)		
Article 7 (2)		
Article 7 (3)	<ul style="list-style-type: none"> If the reasons explained by the supervisory authorities are not shared by the insurance or reinsurance undertaking, which steps must be followed in order to reach a consensus? 	
Article 8 (1)		
Article 8 (2)		
Article 8 (3)		
Article 9 (1)		
Article 9 (2)		
Article 10		
Annex I		