

**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:	MSV Life	
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"; if you change numbering, your comment cannot be processed by our IT tool</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-13-008@eiopa.europa.eu">CP-13-008@eiopa.europa.eu</a>. Our IT tool does not allow processing of any other formats.</b></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>		
<b>Reference</b>	<b>Comment</b>	<b>Resolution</b>
<b>General Comment</b>	We feel that the Level 2 text placed more emphasis on the importance of the principle of proportionality when referring to the insurers' System of Governance.	
<b>Introduction General Comment</b>		
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<b>Section I. General Comments</b>		
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<b>Section II. General Comments</b>		
<b>Chapter I General Comments</b>		
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<b>Chapter II General Comments</b>		
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<b>Chapter III General Comments</b>	Although in general the guidelines are principles of outcomes based this Chapter is very prescriptive particularly in the supporting text (e.g. the contents of the Risk Management	

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	<p>Policy). Hence those small insurers who already have well- established risk and governacne frameworks may still have considerable work to do in order to demonstrate that they comply.</p> <p>Furthermore, it is not clear from the proposed guidelines to what extent can certain roles or functions be combined. More information was expected (particularly by Smaller Companies) about the degree to which it is acceptable to combine certain roles or functons. By way of example can the Internal Controls function be combined with Risk Management and can the Legal and Compliance Function be combined with the Risk Management Function.</p>	
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<b>Chapter IV General Comments</b>		
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<b>Chapter V General Comments</b>		
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<b>Chapter VI General Comments</b>	It is not clear from the proposed guidelines to what extent can certain roles or functions be combined. More information was expected (particularly by Smaller Companies) about the degree to which it is acceptable to combine certain roles or functions. By way of example can the Internal Controls function be combined with Risk Management and can the Legal and	

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	Compliance Function be combined with the Risk Management Function.	
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<b>Chapter VII General Comments</b>		
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<b>Chapter VIII General Comments</b>	There is no reference to the role of an Appointed Actuary. The position is therefore unclear for those companies who already have an external independent Appointed Actuary in addition to their internal Actuarial Function. Will the role of Appointed Actuary be abolished ? It is not clear to what extent can local regulators continue to require insurers to retain the services of their Appointed Actuary. We feel that Appointed Actuaries still have an important role to play especially in the context of e.g. With Profits Funds where the Appointed Actuary can ensure that shareholders interests are not given prominence at the detriment of policyholders interests and that both interests are taken into consideration in taking key decisions in the management of the With Profits Fund. Clearly there would be difficulties if this role is performed by the internal Audit Function.	
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<b>Chapter IX General Comments</b>		
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<b>Section III. General Comments</b>		
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<b>Compliance and Reporting Rules General Comments</b>	Many firms in various Mmber States are at different stages of progress with their Systems of Governance. Hence the extens of work required by individual copnaies may vary considerably. Therefore the pace of convergance is likely to be slow. Whilst there are a number of tangible aspects of the Systems of Governance that are outlined in the CP, when combined, “proportionality”, “phasing” and the “principles based” nature of the guidelines are all likely to lead to a wide range of interpretation of what is required and by when. In particular the CP is rather vague about what is expected to be in place by the end of 2014.	
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<b>Impact Assessment – General Coments</b>		
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