

**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:	INTERNATIONAL UNDERWRITING ASSOCIATION OF LONDON	
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	We welcome the clarity brought by the draft implementing technical standards. However, more consideration needs to be given to the application of the requirements to groups and firms within groups. What should be the treatment for a major change in one entity within a group? It needs to be clear in what circumstances it should be dealt with by the local entity supervisor or through the supervision of the group internal model.	
Recital (1)		
Recital (2)		
Recital (3)		

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Recital (4)		
Recital (5)		
Recital (6)		
Recital (7)		
Recital (8)		
Recital (9)		
Recital (10)		
Article 1		
Article 2 (1)		
Article 2 (2)		
Article 2 (3)		
Article 2 (4)		
Article 2 (5)		
Article 3		
Article 4 (1)		
Article 4 (2)		
Article 4 (3)	We believe that the supervisory authority should implement an active internal policy of ensuring that approvals are provided promptly and that there is a regular dialogue with firms about progress and any issues that may arise.	
Article 4 (4)		
Article 4 (5)		
Article 4 (6)		
Article 4 (7)	It is not clear whether local adjustments would need to be approved at the level of group supervision of the group internal model.	
Article 4 (8)		
Article 4 (9)		

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Article 5		
Article 6 (1)		
Article 6 (2)		
Article 6 (3)	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 also be a regular dialogue with each firm about progress and any issues that may arise.	
Article 6 (4)		
Article 6 (5)		
Article 6 (6)		
Article 7 (1)	In our view, in order to reflect changing reality, there should be provision for ensuring that there is continuous approval of the different versions of the internal model being used by the undertaking during the period of the transition and after.	
Article 7 (2)		
Article 7 (3)		
Article 8 (1)		
Article 8 (2)		
Article 8 (3)	A distinction needs to be made between minor modifications and changes significant enough to alter the internal model to a degree that might be of concern to the regulator. Otherwise, the proposal could create a great deal of work for the company and the supervisors.	
Article 9 (1)		
Article 9 (2)		
Article 10		
Annex I		