

**Comments Template on
Consultation Paper on the Proposal for Guidelines
on the System of Governance**

**Deadline
19 June 2013
12:00 CET**

Name of Company:	RSA Insurance Group	
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 <u>CP-13-008@eiopa.europa.eu</u>. Our IT tool does not allow processing of any other formats.</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>		
Reference	Comment	Resolution
General Comment	Most of the requirements in these guidelines will in due course be contained in the Level 2 text which is expected to be issued for consultation and finalised in 2014. As soon as the Level 2 text is available, undertakings will naturally need to prepare to comply with the rules as stated in the Level 2 text. To the extent that any of these guidelines is inconsistent with the Level 2 text, these guidelines will be superseded. The introduction to these guidelines should make clear that this is the case.	

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	Our comments are on the basis that the guidelines are being put in place as <i>preparation</i> for the implementation of Solvency II (as stated in paragraph 1.6) rather than actual implementation and that what is required is for undertakings “to progress in their preparedness for Solvency II over time during the course of the preparatory phase” (as stated in paragraph 4.3 of the Cover note for the Consultation on Guidelines) rather than to achieve full compliance ahead of the implementation date.	
Introduction General Comment		
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Section I. General Comments		
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Section II. General Comments		
Chapter I General Comments		
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1.22	We believe it is appropriate to have key functions at each regulated undertaking level and also at the highest EEA parent undertaking/Group level. It is not appropriate or necessary to have key functions at other holding companies/parent undertakings in the group structure.	
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Chapter II General		

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Comments		
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1.34	We presume that it will be for the undertaking to determine which are « other relevant personnel » for the purpose of item (c)	
1.35	<p>We are concerned with the requirements as drafted in this section. Ensuring that the fit and proper test applies to all persons employed by a service provider, where the service outsourced is a key function, is overly onerous. We believe that the fit and proper requirements should only be checked for the senior management of the firm or those people contracted to work on the insurance firm's account. Checking fitness and propriety of all staff employed at a service provider would not only increase costs but also delay the process as these checks can take between 3 and 6 months depending on the country. Some European countries are not allowed by law to do credit and criminal checks and the local legislation would need to change before this can be implemented.</p> <p>We also believe conducting fit and proper checks on all persons employed at a service provider, where the service outsourced is a key function, is more onerous than the requirements applied to the undertaking. According to 1.31 and 1.32 fit and proper checks within an undertaking are only required to be done on persons employed in key functions and persons on the ASMB.</p>	
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Chapter III General Comments		
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1.46	This is overly prescriptive. Undertakings should decide for themselves the extent to which the Actuarial Function is involved with the Internal Model.	
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Chapter IV General Comments		
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Chapter V General Comments		
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Chapter VI General Comments		
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Chapter VII General Comments		
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1.71 (point c)	Rotating staff after each audit is not practical or cost effective where the audit team in country is small.	
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Chapter VIII General Comments		
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1.79	We presume that the requirement to identify inconsistencies with the requirements in Articles 76 to 85 will only apply once Solvency II has been implemented.	
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1.86	This is unduly prescriptive. Undertakings should decide for themselves the extent to which the Actuarial Function is involved with the Internal Model.	
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Chapter IX General Comments		
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Section III. General Comments		
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Compliance and Reporting Rules General Comments		
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Impact Assessment – General Comments		
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