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Insurance Europe welcomes EIOPA's assessment regarding the equivalence of Switzerland (under Articles 172, 227 and 260), Bermuda (under Articles 172, 227 and 260) and Japan (under Article 172). These three jurisdictions are important market partners for European insurers and their insurers provide capacity and diversification, which our markets need. We believe EIOPA's work is an important signal in upcoming full equivalence determinations that need to be made by the Commissions in the coming weeks and then scrutinized by the European Parliament and Council before they take legal effect.

As indicated in the past, the insurance industry has serious concerns regarding the timing of equivalence decisions. We welcome the Parliament's recognition of the urgency of this matter and its request to the Commission to present the draft delegated acts on equivalence in a separate manner – by third country and per area (Articles 172/227/260).

Decisions on equivalence are in fact a precondition for a separate set of important decisions that need to be made by supervisors, in relation to the imminent implementation of Solvency II. Significant work has to be done in a very challenging timeframe, to ensure the necessary legal and planning security for European (re)insurers.

Although not directly linked to this consultation, we would like to note that delegated acts on provisional equivalence under Article 227 are a precondition for the ability of multinational groups with EU head-office to compete on a level playing field in foreign markets. Such delegated acts are an important parameter in determining companies' internal models, as well as in their capital management and planning. Submission of internal models is due to commence on 1 April 2015, therefore provisional equivalence assessments need to be concluded months in advance.

Similarly, European cedants have a strong interest to get assurance as to whether reinsurance contracts with third country counterparts (covered by Article 172) are treated the same way as contracts concluded with (re)insurers subject to Solvency II.

When engaging with foreign counterparts in discussions on temporary equivalence (under Article 172 and Article 260), EIOPA and the European Commission should use the opportunity to also discuss and seek ways



to address discriminatory practices which hinder the ability of European undertakings to conduct insurance business in those markets.

In practice, it could take many months before a Commission decision to adopt a delegated act enters into legal force. Therefore, swift action and completion of work is needed as a precondition for effective preparation and implementation of Solvency II. We believe that the approval and further scrutiny of equivalence delegated acts should be prioritised by the Commission and other European institutions.

The insurance industry looks forward to contributing to the extent possible to the EIOPA and European Commission work on ensuring that delegated acts on equivalence are adopted and come into force as soon as possible.

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