



**Gabriel Bernardino (CEIOPS Chair)**  
**Opening Speech**

**CEIOPS Conference**  
**Frankfurt am Main, 18 November 2009**

**Introduction**

Dear Mr President,  
Distinguished Guests,  
Ladies and Gentlemen,

On behalf of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), I would like to extend you a very warm welcome to our 5<sup>th</sup> Annual Conference, here in the Frankfurt Congress Center.

For those of you who are not very familiar with CEIOPS, by way of introduction, we are one of the three so-called EU Level 3 Committees of Financial Supervisory Authorities for financial services. We cover the insurance and occupational pensions sectors. Together with our banking and securities colleagues in CEBS and CESR (who are also represented here today), we also work on important cross-sector issues.

CEIOPS' Annual Conferences are a key part of our policy of transparency and consultation. Transparency, because of the opportunity to tell you about current news and views. Consultation, because we welcome, and actually seek, your feedback on all issues raised. Today provides you with an excellent programme in both those respects, with an opportunity to hear from some of the most experienced and respected figures in the field of European financial supervision.

These are fascinating times for financial supervisors. A year ago we were reflecting at this event on the impact of the financial crisis. 12 months on, some may argue that the crisis has abated (although this is questionable), but new challenges have arisen in adapting the European financial supervisory framework to, hopefully, withstand the test of potential future crises. I am very sure our speakers will provide us with stimulating food for thought in this area. It is indeed a privilege to have them with us today.

This is my first Annual Conference as Chairman of CEIOPS and I would, therefore, like to begin by paying tribute to my outstanding predecessor, Thomas Steffen from the BaFin, who only recently stepped down as CEIOPS Chair at the end of October 2009. Thomas is here with us today and I cannot emphasise enough the vital role he has played over the last three years in leading CEIOPS through very challenging times with extreme dedication and courage. His leadership, knowledge and sense of balance have been of paramount importance for CEIOPS and for the insurance and pension sector's credibility as a whole. I only hope I can aspire to the very high standards he has set.

I am also very pleased to say that, as of end of October 2009, CEIOPS also has a new Managing Board with extremely knowledgeable and experienced individuals. Having such a great team both in the Managing Board and in the CEIOPS Secretariat backing me up, will be particularly important given the

significant challenges that face CEIOPS over the next 12 months during its transition to becoming the European Insurance and Occupational Pensions Authority (EIOPA).

Finally, I would like to thank the City of Frankfurt, for their permanent welcome and support. CEIOPS enjoys being here. We make the most of Frankfurt's facilities and attractions. So do our many Members and guests. I look forward to continuing in this spirit of mutual co-operation for the foreseeable future, not least due to the fact that EIOPA will have its seat in Frankfurt.

## **Insurance**

Our first Panel session this morning (you will not be surprised to know) is on the Solvency II project, the new regulatory regime for insurance. CEIOPS is perhaps best known for its contributions to this project, which has spanned much of CEIOPS' existence, since its foundation back in 2004. The monumental work by all involved parties, has continued throughout times of stress, as well as during 'business-as-usual'. The extreme events of the crisis have given CEIOPS an opportunity to take into account the full economic reality of key factors for any new prudential framework.

The text of the Solvency II Directive recently adopted by ECOFIN sets a challenging deadline for implementation of end of October 2012. I'm sure some may see three years to implement Solvency II as plenty of time to prepare. Reflecting on the huge tasks that we have in front of us, however, my view is that three years is not such a long deadline.

And if this is true for the insurance and reinsurance undertakings, that have to adapt their organisation, their risk culture and their business strategies, this is also true for the supervisory authorities that also need to perform their own gap analysis and their own strategic planning.

We should use these three years to adapt gradually our institutions to the new challenges of Solvency II, building knowledge and capacities. But we should do it in a convergent way.

I believe CEIOPS (and EIOPA) should play an active role in assuring that EU insurance supervisors have a convergent approach to Solvency II. I firmly believe that part of the success of Solvency II will be dictated by the way we as supervisors will be able to work together and find a common approach to the supervisory review process. We should not underestimate this challenge but, at the same time, we must realise that this is a unique opportunity to build what will probably become the first truly "European supervisory process" in the financial services area.

This will be quite an achievement and I am sure that we all want to be part of it.

We are now entering a new phase in the SII project. I can assure you that CEIOPS stands ready to contribute to the discussions on the Level 2 measures and is keen in continuing the open and transparent dialogue with all relevant stakeholders during the process of developing Level 3 measures.

But Solvency II is not the only important policy area in the field of EU insurance supervision, currently on our radar. Over the next 18 months, we can also expect other important legislative initiatives from the European Commission, such as a revised Insurance Mediation Directive and proposals for regulating the disclosure and sale of Packaged Retail Investment Products (so-called "PRIIPs"), to have an equally important role to play in shaping insurance supervision.

## **Occupational Pensions**

Our second panel session covers Occupational Pensions. It has been a busy year for CEIOPS in the field of occupational pensions as well.

We have, among other things, published:

- Revised texts of the Budapest Protocol, which provides a framework for cooperation between Member States' Competent Authorities in respect of cross-border occupational pensions activity under the IORP Directive.
- A 2009 Report on Market Developments, which provides a general overview of the developments in cross-border occupational pension arrangements, following the implementation by Member States of the IORP directive. This is CEIOPS third report in a series on Market Developments and shows the growth in the number of cross border IORPs, as formally notified to Member States during the period June 2008 – June 2009; and
- A Report on Risk Management rules applicable to IORPs, which captures general trends and practices among EU Member States, as well as exploring, as a matter of mutual and general interest, any national legislative provisions that go beyond the requirements of the IORP Directive.

Going forward, I think it is particularly important to recognise that, despite the huge diversity of regimes in the EU pensions landscape, steps need to be taken in order to build a more comprehensive and robust European approach to the safety of pensions. Hopefully, politicians will decide in the near future what the level of ambition in this important area is. I firmly believe that an evolutionary approach is also possible and desirable in the EU regulatory occupational pensions field.

Nevertheless, I believe that CEIOPS' work under the current legislative environment has provided to all of us a better understanding of the different regimes and will be of the utmost relevance for the work to come. CEIOPS stands ready to help the European Commission also in this area, involving all relevant stakeholders in a transparent way.

### **3L3 Convergence from Crisis, including the transition to EIOPA**

Last but not least on our programme today is a panel covering the very important issue of the proposals to transform the European financial supervisory landscape. I am delighted that my colleagues from the other 3L3 Committees can also be here today to give their views on this crucial issue.

We are facing a changing environment with major reforms to both macro- and micro-financial supervision currently being discussed at the political level. Important new powers and responsibilities will be assigned to the new European Supervisory Authorities (ESMA, EBA and EIOPA).

It is my view that the future approach of both macro- and micro-prudential supervision can only reinforce financial stability if it takes into account the specific risks and business models of the different sectors. It is vital to assure that appropriate expertise is used and that analysis and decisions properly reflect these differences.

Furthermore, it is my personal view that the draft Regulations published by the European Commission at the end of September 2009 are an excellent basis for discussions in the Council and European Parliament. Nevertheless, some adjustments may still need to be done in order to preserve the technical and institutional independence of the new European supervisory authorities.

## **Keynote Speeches**

Finally, I have the honour to introduce our distinguished Keynote Speakers – Monsieur Jean-Claude Trichet and Monsieur Jacques de Larosière. Both of these speakers are so well-known to us all that they probably require no further introduction. However, I would, nevertheless, like to say a few words:

Jean-Claude Trichet is the President of the European Central Bank, a position he has held since 2003. He is also a member of the Board of Directors of the Bank for International Settlements. We are delighted that he has made time in his very busy schedule to be with us again today, having spoke at our very first Annual Conference back in 2005. There is no doubt that the ECB has played a pivotal role, during the financial crisis, in seeking to support the conditions for ensuring financial and economic stability.

Later in the day, Jacques de Larosière will be speaking to us. Monsieur de Larosière is the Chairman of EUROFI, a European think tank dedicated to financial services, but more importantly, he was also the Chairman of the High-Level Group on Financial Supervision, which was mandated by the European Commission to give advice on the future of European financial regulation and supervision. The Group presented its report in February this year and its recommendations were subsequently endorsed by the Commission and taken on board in formulating the subsequent legislative proposals. We are honoured that he can be with us today to present his views on the future of the European Financial Supervisory Architecture.

First of all, Monsieur Trichet, we welcome you to CEIOPS again. The floor is yours.

Gabriel Bernardino,  
CEIOPS Chair