



EIOPA-BoS-17/029
31 January 2017

EIOPA Board of Supervisors Meeting

30-31 January 2017

Approved Deliberations and Conclusions

Chairman: Gabriel Bernardino

Voting: AT: Peter Braumüller, BE: Jean Hilgers, BG: Karina Karaivanova, CY: Victoria Natar, CZ: Zuzana Silberová, DE: Frank Grund, DK: Jan Parner, EE: Andres Kurgpõld, ES: Francisco Carrasco Bahamonde (1st day), Javier Castillo (PoA, 2nd day), FI: Anneli Tuominen (1st day), Teija Korpiaho (2nd day), FR: Sandrine Lemery, HR: Petar-Pierre Matek, GR: Ioanna Seliniotaki, HU: Beatrix Denes (PoA), IE: Sylvia Cronin, IT: Alberto Corinti, LT: Mindaugas Šalčius, LU: Claude Wirion (1st day), Yves Baustert (PoA, 2nd day), LV: Dina Mikelsone, MT: Marianne Scicluna, NL: Thijs van Woerden, PL: Damian Jaworski, PT: José Almaça (1st day), RO: Mișu Negrițoiu, SK: Julia Cillikova, SI: Sergej Simoniti, SE: Asa Larson, UK: David Rule

Non-voting: BE: Dominik Smoniewski, BE: Greet T'Jonck, DE: Thomas Schmitz-Lippert, IS: Runar Gudmundsson, IT: Alessia Angelilli, Ambrogio Rinaldi, LI: Alexander Imhof, MT: Marisa Attard, NL: Olaf Sleijpen, NO: Runa Sæther, PT: Mario Ribeiro, SI: Mojca Piškurić, COM: Martin Merlin, EBA: Anne Tiedemann, EFTA SA: Frank Büchel, ESMA: Mette Sicard Filtenborg, ESRB: Francesco Mazzafero

Experts:

AT: Gerlinde Taurer, CZ: Jaroslav Kovanda, DE: Petra Faber-Graw, ES: Flavia Rodríguez-Ponga (1st day), FR: Emilie Quema, RO: Raluca Țariuc, SK: Matus Medvek, UK: Caroline Parsons, EFTA SA: Per Christian Bærøe

EIOPA Working Group Chairs:

Ludwig Pflieger (CCPFI Chair)

EIOPA Staff:

Fausto Parente (EIOPA Executive Director), Susanne Rosenbaum, Catherine Coucke (Legal), Ineta Galubicke, Manuela Zweimüller (items 3, 7, 8), Pamela Schuermans (item 3), Dimitris Zafeiris (items 3, 9), Petr Jakubik (item 3, 9), Danny Janssen (item 4), Philip Codrai (items 4, 5), Szabolcs Diszter (item 5), Katja Wuertz (item 6), David Cowan (item 6), Moritz Beker (item 6), Timothy Walters (item 6), Adrian O'Brien (item 6), Patrick Hoedjes (items 10, 12, 13), Andrew Candland (items 10, 12, 13), Lars Dieckhoff (items 7, 8), Matteo Sottocornola (item 9), Hiltrud Besgen (item 10), Teresa Casado (item 12), Vesa Ronkainen (item 13), Philip Kitzmantel (item 16)

Welcome and introductory remarks by the EIOPA Chairman

Information

Remarks:

The Chairman welcomed the attendees to the 1st meeting of EIOPA's Board of Supervisors (BoS) in 2017.

1. Adoption of the Agenda

Decision by SMV¹

Remarks:

Voting Results: BoS adopted, by simple majority voting, the agenda

Written Procedure: Not applicable

Conclusions:

- Not applicable

Action points:

- Not applicable

2. Update by Chairman, Executive Director and COM

Information

Conclusions:

- Not applicable

Action points:

- Not applicable

3. Update by Chair of IPC and Chair of RFSC

Information

Conclusions:

- Not applicable

Action points:

- Not applicable

4. Budget and Work Programme:

4.1. 2016 Budget: Report on budget execution

Information

4.2. Single programming document 2017 – 2019

4.2.1. Final EIOPA Budget 2017

Information

4.2.2. Revised AWP 2017

Decision SMV¹

4.2.3. EIOPA Budget 2018 draft estimate of revenue and expenditure

Decision QMV²

4.2.4. EIOPA draft Annual Work Programme 2018

Decision SMV¹

4.3. Revised Working Groups mandates

Decision SMV¹

4.1. 2016 Budget: Report on budget execution

Conclusions:

- Not applicable

Action points:

<ul style="list-style-type: none"> • Not applicable
<p><u>4.2. Single programming document 2017 – 2019</u></p> <p><u>4.2.1. Final EIOPA Budget 2017</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> • Not applicable <p>Action points:</p> <ul style="list-style-type: none"> • Not applicable
<p><u>4.2.2 Revised AWP 2017</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> • The BoS adopted, by simple majority voting, the Revised AWP 2017 (EIOPA-BoS/17-041, 30 January 2017) <p>Action points:</p> <ul style="list-style-type: none"> • Not applicable
<p><u>4.2.3 EIOPA Budget 2018 draft estimate of revenue and expenditure</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> • The BoS adopted, by qualified majority voting, the EIOPA Draft Budget 2018 from the European Insurance and Occupational Pensions Authority Draft Single Programming Document 2017-2019 (EIOPA-BoS/17-040, 30 January 2017). <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to submit the EIOPA Draft Budget 2018 to COM.
<p><u>4.2.4 EIOPA draft Annual Work Programme 2018</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> • The BoS adopted, by simple majority voting, the Draft Annual Work Programme 2018 as part of the European Insurance and Occupational Pensions Authority Draft Single Programming Document 2017-2019 (EIOPA-BoS/17-040, 30 January 2017). <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to send the Draft Single Programming Document 2017-2019 including the Annual Work Programme 2018 to the EU Institutions; • Members to send specific points for clarification in writing.
<p><u>4.3. Revised Working Groups mandates</u></p>

Conclusions:

- The BoS adopted, by simple majority voting, the Revised CCPFI mandate 2017 and the ITDC mandate 2017 (EIOPA-BoS-16/323, 15 December 2016; EIOPA-BoS-17/037, 16 January 2017).

Action points:

- Not applicable

5. Mediation Panel - Election**Decision by SMV¹****Conclusions:**

- Francisco Carrasco (DGSFP, ES) and Ioanna Seliniotaki (BoG, GR) were elected, by simple majority voting, as substitutes. Koppány Nagy's (MNB, HU) term was renewed, by simple majority voting, as substitute.

Action points:

- Not applicable

6. Insurance Distribution Directive (IDD):

6.1 Final Report on draft Technical Advice to the Commission on possible delegated acts under the IDD **Decision by SMV¹**

6.2 Consultation Paper on the proposal for Guidelines on insurance-based investment products that incorporate a structure which makes it difficult for the customer to understand the risks involved **Decision by SMV¹**

6.3 Final Report on draft ITS on the standardised presentation format for the Insurance Product Information Document (IPID) **Decision QMV²**

6.1 Final Report on draft Technical Advice to the Commission on possible delegated acts under the IDD**Conclusions:**

- The Chair proposed to keep the text unchanged as it represented a good balance of views and emphasised the fact EIOPA's clear decision was not to introduce a "de facto" ban on the payment/receipt of inducements. This approach was welcomed by the vast majority of BoS Members. With regard to the policy proposals on execution-only, the majority of BoS Members supported Option 2 requiring that the insurer needs to provide a guarantee that can be used at any time throughout the duration of the contract (i.e. also at surrender), as well as at maturity.
- The BoS approved, by simple majority voting, the "Final Report on Consultation

Paper no. 16/006 on Technical Advice on possible delegated acts concerning the Insurance Distribution Directive” (EIOPA-BoS-16-324, 16 January 2017).

Action points:

- EIOPA to submit the Technical Advice on possible delegated acts concerning the Insurance Distribution Directive to the European Commission.

6.2 Consultation Paper on the proposal for Guidelines on insurance-based investment products that incorporate a structure which makes it difficult for the customer to understand the risks involved

Conclusions:

- The BoS approved for public consultation, by simple majority voting, the “Consultation Paper on the proposal for Guidelines under the Insurance Distribution Directive on insurance-based investment products that incorporate a structure which makes it difficult for the customer to understand the risks involved” (EIOPA-BoS-16-330, 16 January 2017).

Action points:

- Consultation paper to be published after BoS meeting to commence the period of public consultation.

6.3 Final Report on draft ITS on the standardised presentation format for the Insurance Product Information Document (IPID)

Conclusions:

- The BoS approved, by qualified majority voting, the Final Report on draft Implementing Technical standards concerning a standardised presentation format for the Insurance Product Information Document of the Insurance Distribution Directive (EIOPA-BoS-17-004, 19 January 2017).

Action points:

- EIOPA to submit the Draft ITS to the European Commission;
- EIOPA to publish the Final Report.

7. Risk free rate:

7.1 UFR: update on analysis of impact

Discussion

7.2. Closure of Phase III of project and way forward

Decision by SMV¹

7.3. Timeline for the update of the representative portfolios

Decision by SMV¹

7.1 UFR: update on analysis of impact

Conclusions:

- The BoS to decide on the UFR methodology at the BoS meeting in March 2017;
- In order to facilitate the analysis of the impact of UFR changes on the financial position of insurance and reinsurance undertakings, Members should provide information on the mitigating effect of the recalculation of the transitional on technical provisions on the impact of UFR changes.

Action points:

- RFR project group to prepare a proposal on the UFR methodology for the BoS meeting in March 2017;
- EIOPA staff to launch the information request recalculation of the transitional on technical provisions after the meeting.

7.2 Closure of Phase III of project and way forward

Conclusions:

- The BoS approved, by simple majority voting, the proposal contained in "Risk-free interest rate term structures - Closure of phase III of the project and way forward" (EIOPA-BoS-17/031, 13 January 2017) to close phase III of the RFR project and to establish it as an ongoing project under the current governance arrangement.

Action points:

- Not applicable

7.3 Timeline for the update of the representative portfolios

Conclusions:

- The BoS approved, by simple majority voting, the proposal contained in "Risk-free interest rate term structures - Timeline for the update of the representative portfolios" (EIOPA-BoS-17/031-C, 13 January 2017) on the timeline for the next update of the representative portfolios.
- Ideally, the updated representative portfolios should be applicable for the volatility adjustment calculations for end of December of each year. This cycle is envisaged to be picked up again with improving data quality and quicker validation periods.

Action points:

- RFR project group to prepare the decision of the BoS on the updated representative portfolios in December 2017 in accordance with the approved timeline.

7.4 Mexican peso issue

Conclusions:

- The BoS approved, by simple majority voting, the proposed allocation of the swap rate tickers MPSW16C and MPSW21H to the maturities 15 and 20 years. The change should be made for the calculation of the risk-free interest rates of

end-January 2017.

Action points:

- EIOPA to change the calculation of the risk-free interest rates for the Mexican peso RFR according to the conclusions.

8. Long Term Guarantees: structure of 2017 report and information request to undertakings Decision by SMV¹

Conclusions:

- The BoS approved, by simple majority voting, the proposal contained in "LTG review - Structure of the LTG report 2017 and information request to undertakings" (EIOPA-BoS-16/320, 13 January 2017) on the structure of the LTG report 2017.
- The LTG report 2017 should follow the proposed structure, including the thematic focus on public disclosure.
- An information request in line with the proposed outline should be carried out. The specifications of the information request should be approved by the BoS in written procedure. For the proposal of the specifications the materiality thresholds for the information request on equity risk measures should be revised. Furthermore undertakings below the threshold should not be requested to submit empty templates. NSAs should provide the necessary information instead.
- The project should be carried out in line with the proposed timeline, subject to the following changes:
 - o Mid-February: launch of the information request
 - o Mid-June: Deadline for submission of data from undertakings to NSAs
 - o Mid-July: Deadline for submission of data from NSAs to EIOPA

Action points:

- LTG review project group to provide specifications for the information request at the beginning of February 2017;
- EIOPA to prepare an annual overview of planned information requests to undertakings or NSAs, so that NSAs can incorporate this in their planning.

9. EIOPA Risk Dashboard:

9.1. Risk Dashboard methodology

Discussion

9.2. Presentation of first publication

Discussion

Conclusions:

- Agreement on launching a written process for the approval of the Risk Dashboard package and initial publication of the new EIOPA Risk Dashboard.

Action points:

- EIOPA to launch (after BoS) a written procedure for approval of the Risk Dashboard package.

10. Year-end report on Functioning of Colleges and Accomplishments of Action Plan 2016 **Decision by SMV¹**

Conclusions:

- The BoS adopted, by simple majority voting, the report “Year-endreport 2016 on functioning of colleges and priorities for 2017” (EIOPA-BoS-17/034, 10 January 2017) including amendments agreed;
- A further week was provided to Members to have the opportunity to review the documents and suggest further improvements to the text.

Action points:

- EIOPA to upload a revised version of the report with the agreed change in par. 4.13 and the amended Annex 1: “Overview Accomplishment per College End of Year 2016 attended by EIOPA” (not for publication);
- Members to provide within one week additional comments on the wording;
- EIOPA to publish the report after consideration of comments received.

~~**11. Peer Reviews – Project Plan**~~ ~~**Decision by SMV[±]**~~

12. Decision on collaboration between EU supervisory authorities **Decision by SMV¹**

Conclusions:

- The BoS adopted, by simple majority voting, the “Decision of the Board of Supervisors on the collaboration of the insurance supervisory authorities of the Member States of the European Economic Area” (EIOPA-BoS-17/013, 30 January 2017);
- EIOPA will monitor the decision’s implementation and report back to BoS on whether the decision delivers as expected.

Action points:

- Members to sign the annex of the **decision**, which contains their agreement on collaboration and information exchange.
- EIOPA to publish the decision.

13. Internal Model Projects: Update **Discussion**

Conclusions:

- The project status updates were noted.

Action points:

<ul style="list-style-type: none"> • Not applicable 	
14. Closed Session	Confidential exchange of information
15. Update on IT developments	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> • BoS took note of the Final Report 2016. <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to continue to provide regular reports to the BoS. 	
16. AOB	Information
<p>Remarks:</p> <p><u>BoS meetings 2017</u></p> <p>Next BoS meeting is on 30-31 March.</p> <p>EIOPA might organise an extraordinary BoS meeting or telco in October with the aim to approve the SCR review advice to COM scheduled by October. Potential dates are 25 or 26 October 2017.</p> <p><u>Supervisory Handbook</u></p> <p>The Chair reminded that according to a previous BoS discussion the Supervisory Handbook was not for public disclosure. Further discussion should be maintained at the end of the year when the Handbook version 1 would be finalised.</p> <p>Voting Results: Not applicable</p> <p>Written Procedure: Not applicable</p>	
<p>Conclusions:</p> <ul style="list-style-type: none"> • Not applicable <p>Action points:</p> <ul style="list-style-type: none"> • Not applicable 	

¹: Decision by simple majority (Article 44(1) 1st para. EIOPA Regulation)

²: Decision by qualified majority (Article 44(1) 2nd para. EIOPA Regulation)