



EIOPA-16/272
30 November 2016

EIOPA Board of Supervisors Meeting

29-30 November 2016

Approved Deliberations and Conclusions

Chairman: Gabriel Bernardino

Members and Observers:

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, FI: Teija Korpiaho, FR: Sandrine Lemery, HR: Gordana Letica, GR: Ioanna Seliniotaki, HU: Koppány Nagy, IE: Sylvia Cronin, IT: Alberto Corinti, LT: Mindaugas Šalčius, LU: Claude Wirion, LV: Dina Mikelsons, MT: Marianne Scicluna, NL: Thijs van Woerden, PL: Damian Jaworski, PT: José Almaça (1st day only), RO: Mișu Negrițoiu, SK: Julia Cillikova, SI: Mojca Piškurić, SE: Asa Larson, UK: Chris Moulder

Non-voting: BE: Dominik Smoniewski, Henk Becquaert, IS: Runar Gudmundsson, IE: Gerry Cross, IT: Alessia Angelilli, Ambrogio Rinaldi, LI: Alexander Imhof, LU: Annick Felten, NO: Runa Sæther, PL: Mariusz Smętek, PT: Mario Ribeiro (1st day only), RO: Ion Giurescu, SI: Mojca Piscuric, UK: Lesley Titcomb, COM: Steve Ryan, EBA: Anne Tiedemann, EFTA SA: Frank Büchel, ESMA: Mette Sicard Filtenborg, ESRB: Francesco Mazzafero

Experts:

AT: Gerlinde Taurer, CZ: Jaroslav Kovanda, Marcela Gronychová, DE: Petra Faber-Graw (PoA), ES: Flavia Rodríguez-Ponga, FR: Emilie Quema, HU: Beatrix Denes, NL: Dinant Veenstra, RO: Raluca Țariuc, SK: Matus Medvek (PoA), UK: Fiona Rogers, EFTA SA: Per Christian Bærøe

EIOPA Working Group Chairs:

Ludwig Pflieger (CCPFI Chair), Véronique Hijl (AVA Chair)

EIOPA Staff:

Fausto Parente (EIOPA Executive Director), Susanne Rosenbaum, Szabolcs Diszter (Legal), Ineta Galubicke, Manuela Zweimüller (items 3, 12, 13, 14, 17, 20), Justin Wray (items 3, 12, 13, 14, 17, 20), Pamela Schuermans (item 3), Patrick Hoedjes (items 3, 8, 10, 16, 19, 22), Dimitris Zafeiris (items 3, 9, 11), Philip Codrai (items 4, 5), Katja Wuertz (item 6, 7), Carlos Guine (items 6, 7), Julian Arevalo (item 6), Timothy Shakesby (items 6, 7), Jan-Ole Wagner (item 7), Andrew Candland (items 8, 16, 19), Sandra Desson (item 8), Juan Zschiesche (items 9), Marjan Trobina (item 10), Daniel Perez (item 11), Lars Dieckhoff (items 12, 14), Camille Graciani (item 13), Teresa Casado (item 16), Ana Teresa Moutinho (items 17, 18), Vesa Ronkainen (item 19), Sandra Hack (item 20), Kai Kosik (item 21), Philip Kitzmantel (item 22)

**Welcome and introductory remarks by the
EIOPA Chairman**

Information

1. Adoption of the Agenda

Decision by SMV¹

Conclusions: BoS adopted the agenda.	
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:	
<ul style="list-style-type: none"> • Not applicable 	
Action points:	
<ul style="list-style-type: none"> • Not applicable 	
4. 1st Draft Iteration AWP 2018 - priorities, products and services	Discussion
Conclusions:	
<ul style="list-style-type: none"> • EIOPA will consider comments made in the meeting and in writing before re-submitting the next iteration of the AWP 2018 for adoption 	
Action points:	
<ul style="list-style-type: none"> • BoS to provide written comments by 5th December • EIOPA to consider BoS comments in the revision • EIOPA to present Draft AWP 2018 to January BoS 	
5. Working Group Mandates	Decision by SMV¹
Conclusions:	
The BoS approved QCC, OPC and Review panel mandates.	
Action points:	
<ul style="list-style-type: none"> • EIOPA to update and circulate for adoption the CCPFI mandate, revised in line with the revision of the AWP 2017 • Review Panel mandate to be discussed in BoS closed session 	
6. EIOPA Fifth Consumer Trends Report	Decision by SMV¹
Voting Results: The BoS approved, by simple majority voting, the EIOPA Fifth Consumer Trends report (EIOPA-BoS-16-239, 26 October 2016)	
Written Procedure: Not applicable	

Conclusions:

- The BoS approved, by simple majority voting, the EIOPA Fifth Consumer Trends report (EIOPA-BoS-16-239, 26 October 2016). The report will be published on EIOPA's website after amending the relevant country references and including a sentence about the value of advice to consumers taking into account costs

Action points:

- EIOPA to publish the report on EIOPA's website taking into account the conclusions

7. Revised EIOPA procedures for issuing warnings, temporary restrictions and prohibitions Decision by SMV¹

Conclusions: The BoS approved, by simple majority voting, the revised EIOPA procedures for issuing warnings, temporary restrictions and prohibitions (EIOPA-BoS-16-275, 26 October 2016) and Annex (EIOPA-BoS-16-276, 14 November 2016)

Action points:

- The procedures will be made available on EIOPA's Extranet only.

8. Strategy for Colleges of Supervisors 2016-2019 Decision by SMV¹

Conclusions: The BoS approved, by simple majority voting, the Strategy for Colleges of Supervisors 2016-2019 (EIOPA-BoS-16/251, 11 November 2016)
The implementation will be evaluated at a later stage

Action points:

- EIOPA to arrange to receive feedback from NSAs on the EIOPA performance in colleges during 2017
- Supervisors will be informed about the new Strategy approved and, in particular, that:
 - EIOPA will attend not all colleges on the same frequent basis. In the cases where EIOPA does not attend a college in a certain year EIOPA will still need to be informed on the progress in an efficient manner.
 - EIOPA to focus on content as well as to ensure that colleges focus on content.
 - EIOPA to share insights from other colleges to bring more in depth convergence and play a challenging role.

9. EIOPA Discussion Paper on Recovery and Resolution Decision by SMV¹**Conclusions:**

- The Board of Supervisors approved by simple majority the "Discussion paper on Potential harmonisation of recovery and resolution frameworks for insurers"

(EIOPA-BoS-16-227, 15 November 2016) with a minor change in the bail-in related questions (questions 28 and 30).

- The questions on bail-in (questions 28 and 30) will be split to differentiate between bail-in of policyholders and bail-in of shareholders and creditors
- A 12-week consultation period was agreed

Action points:

- EIOPA to undertake the agreed change in questions 28 and 30
- EIOPA to start with the 12-week consultation process

10. Data decisions:

Decision by SMV¹

10.1 Final report of the AVA work stream

10.2 Dissemination of data by EIOPA

10.3 Revised data decision

10.1 Final report of the AVA work stream

Conclusions:

- The BoS approved by simple majority voting the AVA Final Report on the AVA work stream deliverables (EIOPA-BOS-16-236, 31 October 2016) including annexes as well as a second phase for the AVA work stream

Action points:

- Not applicable

10.2 Dissemination of data by EIOPA

Conclusions:

The BoS approved the Decision of the Board of Supervisors on dissemination of information by EIOPA (EIOPA-BoS-16/235, 29 November 2016) with the understanding that the Article 4.4. will be amended by a sentence along the following lines: 'The Board of Supervisors will approve criteria to be followed by EIOPA when deciding on additional requests'

Action points:

- Not applicable

10.3 Revised data decision

Conclusions:

- BoS approved by simple majority voting the Revision of the Data Justification Report supporting the Decision of the Board of Supervisors on Collection of Information by EIOPA under Solvency II (EIOPA-BoS-16/231, 14 November 2016) BoS approved the additional data needs for the specific processes of Policy and Consumer Protection

Action points:

- EIOPA to present to BoS the criteria to be followed by EIOPA when deciding on

amendments to the usage of information during the year.

11. Stress Test:

11.1 Insurance Stress-Test 2016: Report, recommendations and communication

Discussion

11.2 IORP Stress Test 2017: Roadmap and project initiation

Decision by SMV¹

11.1 Insurance Stress-Test 2016: Report, recommendations and communication

Conclusions:

- The Members supported the process and the current draft of the report and the recommendations with the amendments discussed at the meeting
- EIOPA decision in terms of limiting the data request of the exercise (i.e. not requesting the SCR recalculation after the stress scenarios) and the fact that it was taken considering the specific circumstances of the first year of Solvency 2 implementation, as well as the general concerns on the data quality should be highlighted upfront by EIOPA in the communication of the results.
- Information on average interest rates guarantees cannot be included at country level in the current stress test report but this should be highlighted as an area where further work is needed to ensure a more consistent reporting.

Action points:

- On the draft report before it is send for final approval:
 - EIOPA to undertake a deep revision of the language
 - EIOPA to incorporate SCR ratios and Available own funds at country level in the baseline.
 - EIOPA to strengthen the caveat around the partiality of the analysis in table A.II.2 in the Annex II
 - EIOPA to include a note explaining the inclusion of an outlier company in terms of business model in the Irish sample
- On the recommendations EIOPA to review the wording of recommendation 3 and to ensure a proportionate request of information

11.2 IORP Stress Test 2017: Roadmap and project initiation

Conclusions:

- BoS approved by simple majority voting the Revision of the Data Justification Report supporting the Decision of the Board of Supervisors on Collection of Information by EIOPA under Solvency II (EIOPA-BOS-16/231, 14 November 2016)
- Although the work done in 2015 IORP stress test on the DC part remains the default approach, project group members are welcomed to propose alternatives to improve it within the time available.
- The list of IORPs participating in the stress test will not be disclosed.

Action points:	
<ul style="list-style-type: none"> EIOPA to further clarify the use of the EIOPA regulation in the existing explanatory footnote. 	
12. Draft LTG report 2016	Decision by SMV¹
Conclusions:	
<ul style="list-style-type: none"> The BoS approved by simple majority voting the Report on long-term guarantees measures and measures on equity risk 2016 the draft report (EIOPA-BoS-16/279, 15 November 2016), subject to changes resulting from a fatal flaw check by Members until 7 December 2016 	
Action points:	
<ul style="list-style-type: none"> EIOPA to ask Members to make the fatal flaw by 7 December 2016 EIOPA to implement the changes resulting from the fatal flaw check by Members until 7 December 2016, in addition to changes to ensure consistency with the insurance stress test report, the inclusion of a description of products subject to the matching adjustment in the UK, the inclusion of the statement that the volatility adjustment did not have a low impact although bond spreads were currently low and improvements to the layout and presentation of the report EIOPA to submit the report to EP, Council and COM and to publish the report on its website 	
13. SCR review discussion paper and data request	Decision by SMV¹
Conclusions:	
<ul style="list-style-type: none"> The BoS approved by simple majority the SCR Review Discussion paper and information request to NSAs and information request on natural catastrophes (EIOPA-BoS-16-253, EIOPA-BoS-16-255 and EIOPA-BoS-16-254, 29 November 2016)BoS agreed to ask a specific question on risk-sensitivity of the catastrophe risk sub-module. BoS agreed to change the wording "difficulties" in the questions. 	
Action points:	
<ul style="list-style-type: none"> EIOPA to change the wording "difficulties" in the questions. EIOPA to introduce a new question on the risk-sensitivity of the catastrophe risk sub-module. EIOPA to prepare public communication on the discussion paper. EIOPA to send information request to NSAs and to European associations. 	
14. RFR: DLT assessment for Swiss Franc	Decision by SMV¹
Conclusions:	

- BoS approved by simple majority voting EIOPA's approach not to change the derivation of the risk-free interest rates for the Swiss franc (Cover note DLT assessment for the Swiss franc (EIOPA-BoS-16-291, 14 November 2016))
- The DLT maturities and in particular the last liquid point for the Swiss franc will not be changed until the DLT assessment is redone in 2017 with complete data and a revised methodology

Action points:

- Not applicable

15. Closed Session

Confidential exchange of information

16. Decision on collaboration between EU supervisory authorities

Decision by SMV¹

Conclusions:

- Not applicable

Action points:

- EIOPA to invite Members to provide comments/concrete suggestions within two weeks following the BoS meeting aiming for the Decision to be approved at the January 2017 BoS meeting

17. Way forward on disclosure of the transitional measure

Discussion

Conclusions:

- Members will be asked to approve the Opinion by written procedure after BoS
- The option to be included in the Opinion should be Option 3 (TP, MCR, SCR and EOF) from the Cover Note but accommodating comments made

Action points:

- EIOPA to launch a written procedure for the approval of the 'Opinion on disclosure of information related to the use of transitional measures in the calculation of technical provisions' after reflecting the comments made during BoS

18. Key characteristics of a European supervisory culture

Discussion

Conclusions:

- Members supported the content of the presentation as a fair reflection of what EIOPA and the NSAs should achieve.

- The document should have the twofold approach proposed. It should identify and describe in a concise manner the objectives of supervision and the key characteristics of high-quality and effective supervision and be used as a communication tool. It should also be adapted to serve as “Chapter 0” of the SRP Handbook.

Action points:

- Members are to send any concrete suggestions on wording, on the description of the key characteristics or how to incorporate the points of discussion into the document by 3 January 2017 (EIOPA to send a mail to BoS Members)
- EIOPA to develop a first draft already incorporating the ideas expressed in the meeting. The draft will be firstly discussed in the SRP SC and then brought to BoS for discussion following a two stage approach before approval

19. Internal Model Projects update

Decision by SMV¹

Conclusions:

- The BoS to approved the Project Description on the Non-Life Underwriting Risk Comparative Study (NLCS) in Internal Models (EIOPA-BoS-16-270, 30 November 2016)
- The three project status updates were noted. The steering for the Volatility Adjustment and sovereign risk projects was to prioritise quality before timing and to deliver partial drafts for discussions before the final reports are ready
- Regarding projects on VA/sovereigns confidentiality agreements were signed and BoS agreed that internal model documentation can be shared within the project groups
- BoS approved the project plan on the non-life underwriting risk comparative study. BoS is asked to commit resources to support EIOPA in the project

Action points:

- EIOPA to implement the steering

20. Guidelines on facilitating an effective dialogue between supervisors and statutory auditors

Decision by QMV²

Conclusions:

- Members did not raise any concerns or comments, so no changes to the Guidelines are needed

Action points:

- EIOPA to launch a qualified majority voting on the adoption of the Guidelines in a written procedure asap

21. Joint Guidelines on the prudential assessment of acquisitions and increases in qualifying holdings in the financial sector

Decision by QMV²

<p>Conclusions:</p> <ul style="list-style-type: none"> • Approval by written procedure <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to launch a qualified majority voting on the adoption of the Guidelines in a written procedure asap. 	
22.	<p>Update on IT developments</p> <p style="text-align: right;">Decision by SMV¹</p>
<p>Conclusions:</p> <ul style="list-style-type: none"> • BoS decided by simple majority voting not to publish a corrective Taxonomy release in Q1 2017 • BoS took note of the progress report <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to update its web site to communicate that no corrective release will be published • EIOPA to consider how best to achieve a holistic approach to ensure data quality • EIOPA to continue to provide regular reports to the BoS 	
23.	<p>AOB</p> <p style="text-align: right;">Information</p>
<p>Remarks: Next BoS meeting is on 30-31 January.</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)