



EIOPA-16/106

8 April 2016

EIOPA Board of Supervisors Meeting

6-7 April 2016

Approved Deliberations and Conclusions

Chairman: Gabriel Bernardino

Members and Observers:

Voting: AT: Peter Braumüller, BE: Jean Hilgers, BG: Zhelyu Vasilev (PoA), CY: Victoria Natar, CZ: Zuzana Silberová, DE: Frank Grund, DK: Jan Parner, EE: Andre Nõmm (PoA), ES: Pablo Muelas García, FI: Anneli Tuominen, FR: Sandrine Lemery, HR: Petar-Pierre Matek, GR: Ioanna Seliniotaki, HU: Koppany Nagy, IE: Sylvia Cronin, IT: Alberto Corinti, LT: Mindaugas Salcius, LU: Claude Wirion, LV: Peters Putnins, MT: Marisa Attard, NL: Thijs van Woerden, PL: Damian Jaworski, PT: José Almaça, RO: Mișu Negritoiu, SK: Julia Cillikova, SI: Sergej Simoniti, SE: Martin Noreus, UK: Sam Woods

Non-voting: BE: Dominik Smoniewski, Henk Becquaert, DE: Thomas Schmitz-Lippert, ES: Maria Nuche, FI: Teija Korpiaho, IS: Unnur Gunnarsdóttir, IE: Gerry Cross, Brendan Kennedy, IT: Elisabetta Giacomel, LI: Alexander Imhof, LV: Dina Mikelsone, NL: Olaf Sleijpen, NO: Runa Saether, PT: Mario Ribeiro, SI: Mojca Piskuric, UK: Lesley Titcomb, Fiona Frobisher, COM: Steve Ryan, EBA: Dirk Haubrich, ESMA: Mette Sicard Filtenborg, ESRB: Alexandra de Jong

Experts:

AT: Gerlinde Taurer, CZ: Jaroslav Kovanda, DE: Petra Faber-Graw, FR: Nathalie Quintart, HU: Beatrix Denes, IT: Alessia Angelilli, LU: Valerie Scheepers, PL: Iwona Szczesna, RO: Simona Dobrica, Raluca Tariuc, SK: Matus Medvec

EIOPA Working Group Chairs:

Edward Forshaw (Equivalence Committee Chair), Ludwig Pflieger (CCPFI Chair), Olaf Sleijpen (Occupational Pensions Committee Chair)

EIOPA Staff:

Fausto Parente (EIOPA Executive Director), Manuela Zweimüller (EIOPA Head of Regulations), Patrick Hoedjes (EIOPA Head of Operations and Oversight), Susanne Rosenbaum, Catherine Coucke (Legal), Sophia Milili-Makrydakis, Justin Wray (items 4, 5, 9, 10, 11, 18), Phil Codrai (item 12), Katarzyna Wojtkiewicz (item 12), Pamela Schuermans (items 4, 18), Ivo Karshev (item 4), Petr Jakubik (items 4, 14), Gabriele Arnoldi (item 5), Katja Wuertz (items 6, 7), David Cowan (item 6), Moritz Beker (item 6), Julian Arevalo (item 6), Pieter Hulst (item 7), Timothy Shakesby (items 6, 7), Timothy Walters (item 8), Tomas Walter (item 8), Enrique Martinez (item 9), Lars Dieckhoff (items 9, 18), Camille Graciani (item 18), Sandra Hack (item 10), Barthold Kuipers (item 10), Frederik Vandenweghe (item 10), Ana Teresa Moutinho (item 11), Dimitris Zafeiris (item 14), Daniel Perez (item 14), Sandra Desson (item 15), Andrew Candland (items 15, 17), Philip Kitzmantel (item 16), Marjan Trobina (item 16), Vesa Ronkainen (item 17)

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

Information

1. Adoption of the Agenda

Decision by SMV¹

Conclusions: BoS adopted the agenda with the change suggested by the Chairman where items 3 (Annual Activity Report 2015) and 15.1. (15.1. Year-end report 2015)

<p>on Functioning of Colleges and Accomplishments of Action Plan) will be decided via written procedure due to time constraints.</p> <p>Action points: Not applicable</p>	
<p>2. Update by Chairman, Executive Director and COM</p>	<p>Information</p>
<p>Conclusions: Not applicable</p> <p>Action points: Not applicable</p>	
<p>3. Annual Activity Report 2015</p>	<p>Via Written Procedure</p>
<p>Conclusions:</p> <ul style="list-style-type: none"> • Not applicable <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA to launch a written procedure for the approval of the Annual Activity Report 2015. 	
<p>4. Update: Implementation of new working structure pilot of EIOPA</p> <p>4.1. Rules of procedure for the new working structure pilot</p> <p>4.2. Mandate of IPC and RFSC</p> <p>4.3. Membership and Chair of IPC and RFSC (election)</p>	<p>Decision by SMV¹</p> <p>Decision by SMV¹</p> <p>Decision by SMV¹</p> <p>Decision by SMV¹</p>
<p><u>4.1. Rules of procedure for the new working structure pilot</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> • EIOPA staff to revise the draft Rules of Procedure based on written comments received until 5 April. <p>Action points:</p> <ul style="list-style-type: none"> • EIOPA staff to circulate revised drafts by Monday 18 April to Members for approval in written procedure (5 days). • EIOPA staff to arrange telco upon circulation of revised draft for Members to inform members about the revised drafts. 	
<p><u>4.2. Mandate of IPC and RFSC and 4.3. Membership and Chair of IPC and RFSC (election)</u></p> <p>Conclusions:</p> <ul style="list-style-type: none"> • EIOPA staff to revise the mandates based on written comments received until 5 April. • All 11 candidates are confirmed by the BoS as Steering Committee members of the IPC; The BoS elected Jan Parner as Chair of the IPC. • All 13 candidates are confirmed by the BoS as Steering Committee members of the RFSC; The BoS elected Jean Hilgers as Chair of the RFSC. 	

Action points:	
<ul style="list-style-type: none"> First meeting of IPC to take place 27 April. First meeting of RFSC to take place 28 April. 	
5.	IAIS ExCo election European representation Decision by SMV¹
Conclusions:	
<ul style="list-style-type: none"> BoS elected Frank Grund to replace Felix Hufeld as IAIS ExCo member on the Western European and Central/Eastern European list. 	
Action points:	
<ul style="list-style-type: none"> EIOPA to notify the IAIS Secretariat about the outcome of the BoS decision and to take actions accordingly. 	
6.	Consumer Protection:
	6.1. Preparatory Guidelines on product oversight & governance (POG) arrangements by insurance undertakings and insurance distributors Decision by QMV²
	6.2. Update on preventive conduct of risk strategy: Retail Risk Indicators Pilot Discussion
<u>6.1. Preparatory Guidelines on product oversight & governance (POG) arrangements by insurance undertakings and insurance distributors</u>	
Conclusions:	
<ul style="list-style-type: none"> BoS adopted the Final Report on the public consultation on the proposal for Preparatory Guidelines on product oversight and governance arrangements by insurance undertakings and insurance distributors (EIOPA-BoS-16/062, 17 March 2016). 	
Action points:	
<ul style="list-style-type: none"> Preparatory Guidelines to be published and process for translation of Guidelines and “comply or explain” process to be subsequently initiated. 	
<u>6.2. Update on preventive conduct of risk strategy: Retail Risk Indicators Pilot</u>	
Conclusions:	
<ul style="list-style-type: none"> BoS agreed to continue the phase-in the implementation of the Retail Risk Indicators methodology. 	
Action points:	
<ul style="list-style-type: none"> EIOPA will proceed to phase-in the implementation of the Retail Risks Indicators Methodology, as set out in the Report, and taking into account the steering received by the BoS. 	
7.	Draft RTS on PRIIPs KID Decision by QMV²
Conclusions:	
<ul style="list-style-type: none"> BoS adopted the Joint Committee Final draft regulatory standards on PRIIPs KID (JC 2016 21, 31 March 2016). 	

Action points:		
<ul style="list-style-type: none"> Joint Committee Final draft regulatory standards on PRIIPs KID (JC 2016 21, 31 March 2016) to be submitted to the European Commission by EIOPA (jointly with the other ESAs). 		
8.	Approval of the draft advice on infrastructure corporates for consultation	Decision by SMV¹
Conclusions:		
<ul style="list-style-type: none"> BoS adopted the Consultation Paper on the draft advice on Infrastructure Corporates (EIOPA-BoS-16/092, 22 March 2016) subject to a number of changes agreed during the BoS meeting, regarding the options for the security package and analysis of correlations. 		
Action points:		
<ul style="list-style-type: none"> EIOPA staff to implement the changes agreed during the meeting and to continue discussions with data providers (regarding copyright) before publishing the CP. The revised CP will be circulated to the BoS for information. 		
9.	RFR:	
	9.1. Consultation paper on the UFR methodology	Decision by SMV¹
	9.2. Update of the representative portfolios	Discussion
<u>9.1. Consultation paper on the UFR methodology</u>		
Conclusions:		
<ul style="list-style-type: none"> BoS adopted the Draft Consultation Paper on the methodology to derive the UFR and its implementation (EIOPA-BoS-16/084). 		
Action points:		
<ul style="list-style-type: none"> EIOPA to publish consultation paper mid-April and to prepare communication. 		
<u>9.2. Update of the representative portfolios</u>		
Conclusions:		
<ul style="list-style-type: none"> The update of the representative portfolios for the calculation of the volatility adjustments will continue as outlined in report to BoS. 		
Action points:		
<ul style="list-style-type: none"> EIOPA to prepare proposal for updated representative portfolios for BoS written procedure starting in May 2016. 		
10.	Pensions:	
	10.1. Opinion on pensions solvency	Decision by SMV¹
	10.2. EIOPA's pensions data project	Discussion
<u>10.1. Opinion on pensions solvency</u>		
Conclusions:		

- Appreciation of the high quality of the opinion and EIOPA reaching this important milestone in the area of occupational pensions. Unanimous support of publishing and submitting the opinion to the European institutions.

Action points:

- EIOPA staff, after accommodating the vote in favour of option 1, to publish and submit the opinion (and accompanying documents) to the European institutions.

10.2. EIOPA's pensions data project

Conclusions:

- Overall support for EIOPA to further work on pension data in terms of implementing efficient processes and consistent taxonomy. Support for EIOPA to take a step-by-step approach for further reasonable regular data collection.

Action points:

- Members to provide written comments before the deadline of 22 April.
- EIOPA to draft a roadmap for implementation based on a step-by-step approach defining key milestones that will be brought to BoS for approval.

11. SRP:

11.1. Handbook : Approval of Chapters: Decision by SMV¹

11.1.1. Chapter on Internal Models

11.1.2. Chapter on PPP (remaining sections)

11.2. Election of Steering Committee Members Decision by SMV¹

11.1. Handbook : Approval of Chapters

Conclusions:

- Approval of the submitted Chapter on Internal Models (EIOPA-BoS-16/081, 21 March) and the three sections on the Prudent Person Principle Chapter (EIOPA-BoS-16/053, 21 March) of the Handbook;
- NSAs should consider these chapters in the development and maintenance of their SRP process under Solvency II and share it with field supervisors so that they can use it as appropriate in their day-to-day supervision.

Action points:

- Handbook chapters to be published in EIOPA's restricted area;
- EIOPA to send Section with the specificities related to the Prudent Person Principle for BoS approval in a written procedure.

11.2. Election of Steering Committee Members

Conclusions:

- Approval of the new composition of the SRP SC.

Action points:

- Not applicable

12. Report on the EIOPA Quality Review 2015

Information

Conclusions:

- BoS acknowledged the EIOPA Quality Review Report 2015 and expressed its appreciation for the work delivered. The Members requested that basing on the Report the careful analyses need to be performed on the measures applied and the progress on the implementation should be informed to the BoS to maintain full transparency of the improvement process.

Action points:

- EIOPA to report to the BoS on the progress in implementing of the recommendations.
- EIOPA to investigate the solution to avoid "reply to all" e-mails and implement it with the high priority.

13. Closed Session**Confidential exchange of information****Conclusions:**

- Confidential exchange of information

Action points:

- Confidential exchange of information

14. Stress Test 2016**Decision by SMV¹****Conclusions:**

- EIOPA to consult stakeholders based on the revised documents.

Action points:

- EIOPA Staff to carry out limited editing in line with BoS steer on the documents intended for the consultation. BoS to comment via a short written procedure the revised version of the documents before circulation to stakeholders.
- EIOPA welcomes comments on the documents sent for information (not part of the package for the consultation).
- BoS Members to respond to the documents requesting actions by the indicated deadline (16 April).

15. Colleges:**15.1. Year-end report 2015 on Functioning of Colleges and Accomplishments of Action Plan****Via Written Procedure****15.2. Strategy: forward looking, risk and theme based colleges work by EIOPA 2016-2019****Discussion****15.3. Themes for Colleges 2017 – preliminary plan****Decision by SMV¹**15.1. Year-end report 2015 on Functioning of Colleges and Accomplishments of Action Plan**Conclusions:**

- Not applicable

Action points:

- EIOPA to submit the year-end 2015 Report on Functioning of Colleges and Accomplishments of Action Plan for a written procedure at the BoS.

15.2. Strategy: forward looking, risk and theme based colleges work by EIOPA 2016-2019**Conclusions:**

- The paper raised considerable interest from Members. Key to agreeing the strategy for colleges will be reaching a consensus on the long-term objective for the evolution of colleges.

Action points:

- EIOPA to send the 'Strategy: forward looking, risk and theme based colleges work by EIOPA 2016-2019' to Members for further feedback.
- EIOPA to consider how the themes arising from this discussion can be taken forward for further consideration by BoS Members at the EIOPA Strategy Day.
- EIOPA to bring an updated version of the strategy paper to the June 2016 BoS.

15.3. Themes for Colleges 2017 – preliminary plan**Conclusions:**

- BoS confirmed that it is important to approve the theme plan for colleges for planning purposes well in advance of the start of the year.

Action points:

- EIOPA to submit the 'Themes for Colleges 2017 – preliminary plan' for written comments to the BoS.
- EIOPA to submit the final version of the 'Themes for Colleges 2017 – preliminary plan' for approval to the June 2016 BoS.

16. Update on IT Programme**Information****Conclusions:**

- The BoS took note of the progress report.

Action points:

- EIOPA to investigate whether it is possible to develop one additional version of the Tool for Undertakings.
- EIOPA to communicate this decision to the general public and report back to the Board in June.
- EIOPA to continue to provide regular reports to the BoS.

17. Internal model consistency projects**Decision by SMV¹****Conclusions:**

- The BoS approved the proposed three project descriptions, supplemented with the presented five clarifications, for the work on consistency of internal models.

Action points:

- EIOPA to bring updates and steering needs of the projects to each BoS

meeting.

- EIOPA to make the reasoned information requests as set out in the papers with the exception that the requests for new quantitative data from undertakings via NCAs are first approved by the BoS.

18. LTG review: progress report

Decision by SMV¹

Conclusions:

- Unanimous agreement to the proposals in the meeting documents and option 2 on the information request on extrapolation. The project team should analyse whether the scope of the information request can be reduced, for example by excluding non-life insurers. The project team should also revise the information request on the financial position of undertakings in order to reduce the burden on undertakings. The approval process for the 2016 LTG report will be shifted by one month and the reporting deadlines by half a month.

Action points:

- The IPC should steer that review in line with the BoS discussion. The information request should be issued by the end of April 2016.

19. AOB

Information

Conclusions:

- The next BoS meeting will take place on 27-28 June.

Action points:

- EIOPA will send to BoS further information regarding the IMF Global Financial Stability Report.

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

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

Frankfurt am Main

[Signed]

Gabriel Bernardino

Chairperson of EIOPA