

# Subgroup of Strategic areas

## Four Topics

- *Catastrophe Risk (CatR),*
- *Personal Pensions (PP),*
- *Long Term Investment (LTI),*
- *Guaranteed Savings Products (GSP)*

# *Catastrophe Risk (CatR)*

- Catastrophe models: Transparency, evaluation, credibility (insurers may lack data to correctly assess the risks)
- Insurance pricing and promotion of risk awareness prevention and mitigation (pressure to markets for more sustainable projects/infrastructures that help to limit the effects of cat risk? - implement strong Disaster Risk Management (DRM) policies that aim to build resilience against disasters)
- Compulsory disaster insurance and/or state disaster insurance programs (pros and cons, could they undermine prevention and resilience measures?)
- Long-term disaster insurance contracts
- Impacts of Cat Risk to other types of insurance

# *Personal Pensions (PP)*

- This topic is aligned with EIOPA's work program/priorities and planning should be set accordingly. Additionally, this topic will provide an interface with the OPSG. Yesterday, EIOPA released a preliminary report on personal pensions. This report is expected to provide a logical starting point for the IRSG to build on.

# *Long Term Investment (LTI)*

- Full adoption of matched liquidity positions as not bearing fire-sale risk and exclusion for market-to-market modelling for SCR purposes, i.e. exclusion of matching assets from credit-spread-risk.
- Reasonableness and likely implications of capital charge calibrations across long term investment asset classes including factors such as but not limited to ROE, which will impact investment in real economy assets such as infrastructure, ABS, RMBS, CMBS, residential and commercial property and loans, equity, and private equity).
- Over the longer term, other issues such as taxation.

# *Guaranteed Savings Products (GSP)*

- Complexity / Opacity of the products: how can they be made more transparent / easy to understand?
- Better incorporation of minimum guarantees, link to inflation rates? How such product should be designed in a new macroeconomic and supervisory environment? How do final net results should be calculated and presented?
- Blurred line between savings and investment product : is there room for a third type of product category and is there a need for specific regulation? How should insurance companies communicate such a difference to the clients?