

## EIOPA Insurance and Reinsurance Stakeholder Group

Frankfurt am Main, 24 March 2011

### Draft Conclusions

<b>1.</b>	<b>Welcome and introductory remarks by the EIOPA Chair</b>	
<p><b>Remarks:</b> EIOPA Chair welcomed the Insurance and Reinsurance Stakeholder Group members at their first statutory meeting.</p> <p>EIOPA Chair noted that this is the first among many steps towards ensuring the reform of financial supervision in the EU insurance sector is implemented.</p> <p>EIOPA Chair underlined that the new Regulation establishing EIOPA and its Stakeholder Groups enhances even higher levels the interaction between supervisors and stakeholders requiring for enhanced accountability of the authority and increased role/input of interested parties during consultation periods.</p> <p>EIOPA Chair also remembered the highly positive experience of cooperation with the Group's predecessor, CEIOPS Consultative Panel and noted high expectations for the work to be undertaken by the Authority and its newly established stakeholder group in the field of insurance with a clear reference to the Solvency II framework.</p> <p>EIOPA Chair further highlighted the enhanced consumer protection powers of the Authority, an area of work where the input of the IRSG will play a significant role as a forum for discussions as well as source of opinions for future regulatory work to be undertaken as required by art. 9 of the Regulation.</p> <p>IRSG members expressed full agreement with EIOPA Chair as to the high expectations the Regulation sets for the cooperation of the Authority and its stakeholders.</p> <p><b>Conclusion/Action points:</b> N/A</p>		
<b>2.</b>	<b>Adoption of the Agenda</b>	Decision
<p><b>Remarks:</b> EIOPA Chair introduced the draft agenda. IRSG members were also informed that on an exceptional basis EIOPA Chair shall lead the IRSG first meeting. Regular IRSG meetings shall be chaired by the soon to be elected IRSG Chair.</p> <p><b>Conclusion/Action points:</b> Agenda was adopted.</p>		
<b>3.</b>	<b>Tour de table – introduction of IRSG members.</b>	Information
<p><b>Remarks:</b> Each panel member was invited to provide a brief overview of his/her professional background and of the input he/she expects to provide to the Group's work.</p>		

EIOPA Chair welcomed the vast and varied experience available through the Panel membership and noted it will be most useful in the light of work to be undertaken as to the finalization and implementation of the Solvency II Framework.

**Conclusion/Action points:** N/A

<b>4.</b>	<b>General introduction to the role &amp; tasks of the European Insurance and Occupational Pensions Authority</b>	Presentation
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**Remarks:** EIOPA Executive Director presented IRSG members with a detailed overview of the Authority including as to:

- Background and timeline
- Main objectives and responsibilities
- Legal status
- Powers and Tools
- Composition of EIOPA: structures, staff and interactions at the level of the ESFS - European System of Financial Supervisors (macro level and cooperation with national supervisory authorities).

IRSG members expressed a keen interest in the set-up of the ESFS, interactions between the Authority and national supervisors, staff resourcing of EIOPA and expected output.

EIOPA Executive Director (ED) replied to all questions in detail and noted that EIOPA annual work-programmes (which also include details on deliverables, organization & resources) will be submitted to the IRSG for its input.

In light of EIOPA's a key role in future regulatory initiatives for the insurance sector in Europe, Chair also invites EC representative to briefly update IRSG Members as to latest developments, as follows:

- *Solvency II – Omnibus II Directive (OMDII)*: the EP is currently analyzing the proposal while the Hungarian Council Presidency is putting in all available resources in order to make quick progress on the adoption of this Directive. EC expects OMDII will be published in the Official Journal before end 2011.
- *Solvency II – Implementing measures*: As the L2 implementing measures can only be published following OMDII publication in the OJCE, this will indeed have a clear impact on the timeline of adopting the L2 text i.e. EC proposals will be tabled in 2012 and the EP and Council will be asked to approve them within the same year.
- *Insurance Guarantee Schemes (IGS)*: EP has not yet delivered its final report on the EC White Paper (ECON has only approved the Skinner report). EC has initiated work to carry forward the work and expects to have a published proposal by end 2011.
- *Insurance Mediation Directive (IMD)*: EC work is currently ongoing, current focus being on the impact assessment stage, as the legislative proposal is also expected by end December 2011.
- *IORP Directive – (Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision)*: As EC received a significantly large number of inputs during its consultation on the Green Paper on Pensions and it is currently in the stage of finalizing their analysis. The topic is complex and currently within the remit of 3 Directorates General in the Commission.

EC expects a draft proposal related to IORP Directive revision is to be tabled towards end of 2011. EC still needs clarity as to granular details of this timeline.

- *NAT CAT*: On 18 October 2011 – a conference will be organized by the EC together with a number of other EC departments. They will be looking at flooding as a main element of interest and wish to underline the importance of insurance when it comes to natural catastrophes.

IRSG members welcomed the EC representative update and noted:

- Key relevance of ensuring adequate involvement of stakeholders in the current work of finalizing the Solvency II framework i.e. current discussions, EIOPA work on binding technical standards and L3 guidelines.
- Consumer protection is a key element of the future Solvency II framework and IRSG expects to have a strong contribution to this end.
- Timing and duration of consultation periods is of the essence in order to ensure an adequate regulatory and supervisory framework is put in place. Strong concerns as to work-load and time pressure in order to ensure Solvency II framework is implemented by 01 January 2013 i.e. delays of L1 text can cascade into significant delays of L2 and L3 deliveries and this would create a major difficulties for both industry and supervisors.
- IRSG also supports EIOPA initiative to start early consultation with stakeholders (the pre-consultation phase)
- All draft regulatory proposals to be submitted for its opinion should use a clear and accessible language, should provide information as to purpose, expected benefits and costs, analysis of impact on consumers, as well as an overview of the results of the pre-consultation phase.
- Need to ensure adequate visibility and publicity of the work undertaken by the IRSG by way of publishing its opinions and summary conclusions of its meetings on EIOPA website, inclusion of dedicated section in EIOPA Annual Report, etc.

**Conclusion/Action points:** N/A

<b>5.</b>	<b>Rules of procedure of the EIOPA Insurance and Reinsurance Stakeholder Group</b>	Discussion
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**Remarks:** EIOPA Chair introduced the draft Rules of Procedure that the Authority has circulated to IRSG members for the purpose of discussion.

The draft document has been produced by EIOPA in coordination with the other sister ESAs and was built using:

- EC template rules for the Financial Services User Group (FSUG – some of the stakeholders may be familiar with it) and
- CEIOPS/CEBS/CESR past rules for their respective Consultative Panels.

IRSG members welcomed the initial draft RoP and further noted:

- Need to ensure to the extent possible a similar text with the OPSG Rules of Procedure.
- Agreement that joint meetings with OPSG should be called upon need in order to exchange relevant information and knowledge and that at least 1 joint meeting per year shall be organized with the OPSG.
- Need to ensure enhanced clarity of the text especially when it creates obligations for IRSG members (ex: confidentiality requirements, voting procedures, etc.)
- Need to ensure clarity of text dealing with role of IRSG Chair and Vice-Chair. IRSG members also put forward their views as to potential role & interaction of the Chair and Vice-Chair

- Need to allow that IRSG benefits from input of highly specialized insurance professionals who should be allowed to participate in IRSG meetings per invitation.
- Need to establish an annual work-programme of the IRSG, in line with EIOPA regulatory input schedule.

**Conclusion/Action points:**

- IRSG members to convey their written comments to EIOPA by cob. Friday 01.04.2011. A written request will be sent by EIOPA support by cob 28.03.2011.
- EIOPA to send written call for candidatures for position of IRSG Chairperson and Vice-chair person by cob 28.03.2011. Candidatures will be invited within 1 week time from the day of the call for candidates.

<b>6.</b>	<b>Update as to EIOPA current work on Solvency II</b>	Presentation
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**Remarks:** As a Public Hearing was organized for the purpose of presenting the results of the QIS5 exercise in the course of the following day, IRSG members were updated as to other Solvency II related developments with a focus on work undertaken in relation to CAT Risk and Non-life calibration.

IRSG members welcomed the update and informed as to:

- concerns on timing and content of L2 proposals which are currently within the remit of the EC.
- need to address additional topics as for example boundaries of contract and treatment of expected profits in future premiums (EPIFP), etc.

**Conclusion/Action points:**

- IRSG members have a keen interest in all Solvency II related deliveries of the Authority and expect to be updated and involved in their development and especially in the future work on binding technical standards and L3 guidelines.

<b>7.</b>	<b>AOB – IRSG future meeting dates:</b>	Decision
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**Remarks:** EIOPA Chair noted that as 2011 is an “establishment” year both for EIOPA and its stakeholder Groups, as part of its support function, EIOPA aimed to provide the IRSG with a tentative list of meeting dates. The proposals are tentative and take into account EIOPA availability. EIOPA Chair also acknowledged that in the light of EU general calendar for finalizing the Solvency II framework, the proposed timetable will need to be revised so to allow adequate input is provided in to the EIOPA future consultations.

**Conclusion/Action points:** As to 31.05.2011(afternoon) meeting of the IRSG, the following items will be placed on the Agenda:

- Approval of the RoP’s (revised following written comments)
- Election of the Chair & Vice-Chair