



EIOPA-IRSG-18-23

Summary of Conclusions

Insurance and Reinsurance Stakeholder Group (IRSG)

1st meeting

Date: 19 September 2018

Time: 10:00 – 16:00

Location: EIOPA premises

Contact: Florian Ouillades (Stakeholder.Groups@eiopa.europa.eu)

List of participants:

IRSG: Greg Van Elsen (Chair), Michaela Koller (Vice Chair), Juan Bataller-Grau, Martin Baumgärtel, Typhaine Beaupérin, Alexandre Cagot, Monica Calu, Paul Fox, Hugh Francis, Krzysztof Grabowski, Liisa Halme, Miranda Hendriks-Muijs, Benoît Hugonin, Alin Iacob, Tomas Kybartas, Roger Laeven, Xavier Larnaudie-Eiffel, Pierpaolo Marano, Stefan Materne, Stephanie Morton, Anthony O’Riordan, Giampaolo Petri, Juan-Ramón Plá, Torun Reinhammar, Tito Rodrigues, Lauri Saraste, Bruno Scaroni, Dirk Ulbricht.

Not present: Jana Herboczková, Guillaume Prache.

EIOPA: Gabriel Bernardino (EIOPA’s Chairman), Manuela Zweimueller (Head of Policy Department), Susanne Rosenbaum (Head of Corporate Affairs Department), Justin Wray (Deputy Head of Policy Department), Tim Shakesby (Consumer Protection Department), Lazaro Cuesta (Policy Department), Pedro Pires (Consumer Protection Department), Juan Zschiesche (Risk and Financial Stability Department), Kai Kosik (Corporate Affairs Department), Phil Codrai (Corporate Affairs Department), Ivo Karshev (Corporate Affairs Department), Florian Ouillades (Corporate Affairs Department).

European Commission (EC, DG FISMA): Steve Ryan (via telco).

1. Approval of the draft agenda

EIOPA’s Chairman welcomed the IRSG Members to the inaugural meeting and presented the draft agenda. The agenda was approved. Members were further informed that the EIOPA’s Chairman would be chairing the inaugural IRSG meeting until agenda item 5 – Election of IRSG (Vice) Chair. Once the IRSG Chair has been elected, he/she will then take over.

Conclusion/Action:

- The meeting agenda (EIOPA-IRSG-18-23) was approved

2. Introductory remarks

EIOPA’s Chairman welcomed the diversity of profiles represented in the IRSG as a real strength for the Authority. He stressed the importance of the role of the Stakeholder Group members in general and looked forward to maintaining a very good level of interaction with the group, as it has been the case with previous groups.

Conclusion/Action:

- n/a

3. Tour de table

Each Member provided a brief overview of his/her professional background and of the input he/she expects to provide to the Group's work.

EIOPA's Chairman welcomed the breadth of experience around table, including on interdisciplinary topics such as digitalisation or sustainable finance. He was confident that the work of the group would be beneficial to EIOPA work. The aim will be to steer the regulatory framework towards having simpler products and having transparent exchange of information between consumers, providers and intermediaries.

Conclusion/Action:

- Secretariat to circulate a contact list of Members.

4. General introduction

4.1. The role and tasks of the EIOPA Stakeholder Groups

Presentation is available on the IRSG website: [link](#)

EIOPA's Head of Corporate Affairs presented an overview of the Stakeholder Group's role and responsibilities with a particular attention from EIOPA to improve and formalise interaction with the group. As far as Members' duties are concerned, they shall, in their personal capacity, handle drafts on which the Group is being consulted and/or any other working documents with the appropriate level of confidentiality.

Conclusion/Action:

- n/a

4.2. Housekeeping

Presentation is available on the IRSG website: [link](#)

EIOPA staff presented EIOPA's supporting role of the Secretariat of the Stakeholder Group. Procedures governing the adoption of advice or the compensation of expenses towards Members representing non-profit organisations (excluding industry representatives) were explained.

Conclusion/Action:

- n/a

4.3. Rules of Procedures

EIOPA's Head of Corporate Affairs presented the proposed draft rules for approval. Members were informed that the same draft would be shared with the OPSG with the objective to adopt common Rules of Procedures for both EIOPA Stakeholder Groups.

One Member made a remark on the duration and name of the technical subgroups, which the group may decide to set up. Members agreed to keep a flexible, deliverable-based approach to the establishment of drafting teams.

Conclusion/Action:

- Members approved the IRSG Rules of Procedures (EIOPA-18-585).

5. Election of the IRSG (Vice) Chair

EIOPA's Chairman welcomed the candidatures for the positions of IRSG Chair and IRSG Vice Chair. He presented the procedure to be observed for the purpose of the elections, according to the IRSG Rules of Procedures and to a guidance note prepared by EIOPA. The candidates briefly introduced themselves. One applicant withdrew her candidature for the position of IRSG Chair and maintained her candidature for the Vice Chair position.

Conclusion/Action:

- Greg van Elsen was elected as IRSG Chair by consensus according to the IRSG Rules of Procedures (EIOPA-18-585).
- Michaela Koller was elected as IRSG Vice Chair by consensus according to the IRSG Rules of Procedures (EIOPA-18-585).

6. EIOPA's strategic update on upcoming work

Presentation is available on the IRSG website: [link](#)

EIOPA's Chairman presented the EIOPA's objectives in the field of consumer protection, supervisory convergence and financial stability.

He provided an overview of some of the key deliverables in the months to come.

In the area of consumer protection, EIOPA will continue its efforts driving forward conduct of business regulation through its thematic reviews and market monitoring to support National Competent Authorities to identify emerging conduct risks and be able to respond in a coordinated manner. With the objective of achieving high quality and convergent supervision, EIOPA will continue to engage with and challenge National Supervisors on their approach to conduct of business supervision. In addition to the Colleges of supervisors, to address cross-border issues, EIOPA has launched cooperation platforms to facilitate information exchange and take action between home and host supervisors where required. Further tools to support convergent supervisory practices include the supervisory handbook and the supervisory convergence plan.

Up-to-date and comprehensive supervisory information is essential to foster high-quality supervision. Following EIOPA's efforts to collect, manage and report data provided under Solvency II, efforts are underway to begin collecting data on the pensions market issues.

There are two cross-cutting areas that have gained importance in the last few years, which are Sustainable Finance and FinTech. With regard to Sustainable Finance, EIOPA is considering in the reviews of IDD, IORPs II and Solvency II how to best include Environmental, Social and Governance factors along with undertaking work on the Commission's Action Plan. EIOPA has developed an action plan for InsurTech and is seeking to support NCAs addressing issues of supervision in this area that is developing at fast pace.

The Pan European personal pension product (PEPP) project is gaining momentum, and EIOPA expects regulatory work and will need to prepare for a potential authorisation role.

EIOPA will further be closely monitoring the discussion around international capital standards in the next months (Insurance Capital Standards, ICS) as well as on International Financial Reporting Standards (IFRS 2017).

EIOPA's Chairman encouraged the IRSG to bring to its attention any evidence of regulatory arbitrage or breach of Union Law issues that members might observe in the markets.

At a Member's request, EIOPA's Chairman further described EIOPA's Brexit-related work on contingency planning to prevent supervisory arbitrage. One Member raised concerns about the level playing field among all market participants and evoked an overlap of regulation and requirements under the Markets in Financial Instruments Directive and the Insurance Distribution Directive. Another Member pointed at the lack of suitable training for financial advisers and NCA staff, which stand in the way of a sound internal market.

EIOPA's Chairman clarified that the discrepancy between EIOPA's mandate and resources sometimes leads to the adaptation and reprioritisation of projects, while very often the work is undertaken in close cooperation and with the support of NCA staff.

Conclusion/Action:

- n/a

7. European Commission update on current work on Insurance

Simple, transparent and standardised securitisations (STS)

The Commission Delegated Regulation (EU) 2018/1221 – of 1 June 2018 amending Delegated Regulation (EU) 2015/35 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings – was published in the Official Journal of 10 September 2018.

The Delegated Regulation enters into force after the scrutiny period on 30 September 2018 and will apply from 1 January 2019.

Amendments to the Delegated Regulation supplementing Solvency II

Draft delegated acts will be open for a feedback from stakeholders in October for period of 4 weeks (as part of the better regulation initiative). The Commission to amend or supplement non-essential elements of those laws in the form of delegated acts

Amendments to Insurance Distribution Directive (IDD)

Transposition date has passed and 18-month deferred application will start from the publication date (expected in October) in the Official Journal of the European Union.

Sustainable Finance

COM adopted a package of measures on sustainable finance consisting of three regulation proposals on: (a) taxonomy for environmental, social and governance (ESG) factors, (b) benchmarks for ESG factors; and (c) disclosure relating to the fiduciary duty of institutional investors in the context of the IORP II Directive. The Commission will request EIOPA's opinion on pillar II issues in relation to sustainable finance and on sustainable finance and long-term investment.

Review of the Motor Insurance Directive (MID)

COM adopted a proposal for amendments to the Motor Insurance Directive, which aims to improve the protection of victims of road accidents, in particular in cross-border scenarios. Dedicated amendments will implement enhance policyholders' protection (i.e. if the insurer is insolvent), and introduce the non-discrimination principle in no-claims-history scenarios. There is currently slow progress in advancing these amendments.

Conclusion/Action:

- n/a

8. Guidelines on System of Governance

EIOPA staff presented the process for the evaluation of the Solvency II Guidelines, in particular the on-going pilot exercise regarding the guidelines on system of governance. IRSG views were requested on the need of a review of the guidelines.

Member raised several questions on the process and the objective of the review. One Member commented that guidelines proved to be quite useful for SMEs, in particular at the beginning of the Solvency II implementation. Another Member commented that a review of the guidelines could be more appropriate after any changes in level 1 and level 2 provisions are already agreed. It was also acknowledged that guidelines are usually lengthy documents whose readability could be improved e.g. using tables of content and references to the relevant level 1 and level 2 measures. Several Members expressed their concerns on the short deadline to provide feedback.

EIOPA staff explained that a pilot exercise on the guidelines of system of governance was initiated after considering evidence available (including discussions with some industry associations) and taking into account that this set of guidelines was not directly affected by scheduled reviews of level 1 and level 2. It was clarified that, at this stage, IRSG is not requested to provide concrete proposal on draft amendments but more generally to identify those areas where implementation issues have been observed or a change could be considered. In case a review of the guidelines is deemed necessary, the reviewed text would be subject to public consultation at a later stage.

EIOPA's Chairman explained that there is no intention to change all Solvency II guidelines. With respect to the guidelines on system of governance, there is already evidence from EIOPA Peer reviews that they could be improved with regard to the proportionality principle.

Conclusion/Action:

- Members to volunteer by 26 September 2018 to work on the IRSG informal advice on Guidelines on System of Governance.
- IRSG to adopt informal advice on Guidelines on System of Governance by 5 October 2018.

9. Consumer protection: Thematic Reviews

Presentation is available on the IRSG website: [link](#)

EIOPA staff introduced the topic and explaining how and why EIOPA uses thematic reviews in conduct of business supervision and providing details on the scope of the current thematic review on consumer protection issues in travel insurance. On the contribution sought from IRSG for the report, it was clarified that the group's contribution should be concise and focus on a specific and concrete consumer issue identified by the IRSG to be essential. EIOPA's Chairman thanked IRSG for having already provided input at various stages of the process and highlighted that the report itself is mostly factual. EIOPA next steps EIOPA will be contingent on the findings.

Members welcomed the opportunity to contribute to the report and, more broadly, to dedicate more time during meetings to discuss consumer protection issues with EIOPA.

Conclusion/Action:

- Members to volunteer by 26 September 2018 to work on the IRSG's text box for the thematic review report.
- IRSG to provide text box to EIOPA by 9 November 2018.

10. Discussion paper on Insurance Guarantee Schemes (IGS)

Presentation is available on the IRSG website: [link](#)

EIOPA staff delivered a presentation on the work done, focusing on the Discussion Paper recently published. The Discussion Paper is composed of two parts, i.e. resolution funding and IGS.

Members welcomed the work done. One Member expressed the need to focus initially on the cross-border element, and to expand the scope of this work at a later stage and only if necessary.

EIOPA's Chairman clarified that the cross-border aspects were indeed the basis of EIOPA's concern, but that there might be issues beyond that, which should also be tackled to ensure a fair treatment of all policyholders. He referred to the relevance of this topic particularly to avoid different treatment of policyholders across EU countries. He also mentioned that EIOPA would try to further develop its views with the aim of bringing the topic in the political agenda for 2019.

Conclusion/Action:

- Members to volunteer by 26 September 2018 to work on the IRSG Opinion on resolution funding and national insurance guarantee schemes.
- IRSG to adopt Opinion on resolution funding and national insurance guarantee schemes by 26 October 2018.

11. AOB

The organisation of upcoming meetings was briefly addressed.

Conclusion/Action:

- Members to block their calendars for the upcoming IRSG meetings in Frankfurt:
 - 28 November 2018 (Joint BoS/IRSG/OPSG meeting with a dinner on the day before)
 - 24 January 2019
 - 10 April 2019
 - 19 June 2019
 - 10 September 2019
 - 26 November 2019 (Joint BoS/IRSG/OPSG meeting followed by a dinner)
- Secretariat to circulate further information regarding the following non-compulsory events:
 - 25-26 October 2018, Amsterdam: [Seminar on Recovery and Resolution in Insurance](#)
 - 10 November 2018, Luxembourg: [Public Forum: EU-U.S. Project](#)
 - 20 November 2018, Frankfurt: [EIOPA 8th Annual Conference](#)