

## **EIOPA Management Board**

Frankfurt, 12 September 2017

### **Final Minutes**

Members:

**Gabriel Bernardino (Chairman), Jean Hilgers, Alberto Corinti, Julia Cilikova, Frank Grund, Sandrine Lemery (via video conference), Olaf Sleijpen**

Observers:

**Peter Braumueller (Alternate Chair), Steve Ryan (COM)**

EIOPA Staff (for relevant topics):

Fausto Parente (Executive Director), Susanne Rosenbaum, Catherine Coucke (items 1, 2, 3, 4, 5, 6), Ineta Galubicke, Danny Janssen (items 3, 5, 6), Fatima Diago Villescás (item 3), Catherine Foley (item 6), Manuela Zweimueller (items 7, 8), Katja Würtz (items 7, 9.1, 9.2, 9.3), Patrick Hoedjes (item 7), Szabolcs Diszter (item 7), Dimitris Zafeiris (item 9.4), Ana Teresa Moutinho (item 7), Peter Kleisen (item 8), Justin Wray (item 8), Pamela Schuermans (item 9.1), Moritz Beker (item 9.1), Pedro Pires (item 9.2), David Cowan (9.2, 9.3), Timothy Walters (item 9.3), Dimitris Zafeiris (item 9.4), Petr Jakubik (item 9.4).

The Chairman welcomed attendants to the fourth meeting of EIOPA's Management Board (MB) in 2017.

The Chairman ascertained that the meeting was duly called and that the requested quorum for taking decisions was reached.

#### 1. Adoption of the Agenda

**Type:** Decision

**Voting results:** Agreed

**Conclusions:** The MB adopted the agenda with no change.

**Action points:** Not applicable

**Written procedure:** Not applicable

#### 2. Update

**Type:** Information

**Voting results:** Not applicable

**Conclusions:** Not applicable

**Action points:** Not applicable

**Written Procedure:** Not applicable

3. Amendment of HR Implementing Rule on protecting the dignity of the person and preventing psychological harassment and sexual harassment

**Type:** Decision

**Voting results:** Adopted

**Conclusions:**

- The 'Management Board Decision by Analogy of the Commission Decision C(2016) 7270 Amending the Decision C(2013) 8985 Laying Down General Provisions for Implementing Article 43 and the First Paragraph of Article 44 of the Staff Regulations' was adopted.

**Action points:**

- Not Applicable

**Written Procedure:** Not applicable

4. Policy on Whistleblowing Pertaining to EIOPA's Operations

**Type:** Decision

**Voting results:** Adopted

**Conclusions:**

- The Management Board adopted the 'Decision on EIOPA'S Policy and Procedures on Whistleblowing pertaining to its Operations' (EIOPA-MB-17-095, 12 September 2017).

**Action points:**

- Not applicable

**Written Procedure:** Not applicable

5. Strategic Internal Audit Plan 2017-2019

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- The Management Board took note of the good progress made in comparison to the previous risk assessment of EIOPA's processes by the Internal Audit Service (Internal Audit Plan 2012-2015) and supported the plan.
- The topic of the 2017 internal audit will be 'EIOPA stress tests'.

**Action points:**

- Not applicable

**Written Procedure:**

- Not applicable

6. SPD 2017-2019

6.1 Updated AWP 2017 including Six Month Implementation Report

6.2 SPD 2017-2019 with AWP 2018

6.1 Updated AWP 2017 including Six Month Implementation Report

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- The Management Board took note of the updated 'EIOPA Single Programming Document 2017-2019 (AWP 2017)' (EIOPA-MB-17-096, 12 September 2017) including the 'Six Month Implementation Report' (EIOPA-MB-17-067, 12 September 2017).

**Action points:**

- The Management Board members to provide their comments in writing by 19 September, to allow timely uploading for Board of Supervisors (BoS).
- EIOPA to upload the 'EIOPA Single Programming Document 2017-2019 (AWP 2017)' (EIOPA-MB-17-096, 12 September 2017) including the 'Six Month Implementation Report' (EIOPA-MB-17-067, 12 September 2017) to BoS.

**Written Procedure:** Not applicable

6.2 SPD 2017-2019 with AWP 2018

**Type:** Decision

**Voting results:** Adopted

**Conclusions:**

- The Management Board adopted the updated 'EIOPA Single Programming Document 2017-2019 (AWP 2018)' (EIOPA-MB-17-069, 12 September 2017) for presentation to the BoS for adoption following minor amendments in line with comments raised.

**Action points:**

- The Management Board members to provide their comments in writing by 12 September 2017.
- EIOPA to consider comments received and amend 'EIOPA Single Programming Document 2017-2019 (AWP 2018)' where necessary.
- EIOPA to upload the 'EIOPA Single Programming Document 2017-2019 (AWP 2018)' to the BoS for adoption.

**Written Procedure:** Not applicable

## 7. Implementation of EIOPA's working structure

- 7.1 Draft revised rules of procedure of EIOPA's working structure
- 7.2 Draft Mandates Policy SC, Supervisory SC, InsurTech TF
- 7.3 Draft project plan Budapest Protocol PG

### 7.1 Draft revised rules of procedure of EIOPA's working structure

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- The Management Board supported the changes to the current working structure as proposed by EIOPA.

**Action points:**

- EIOPA to emphasise and strengthen in the cover note the fact that pension matters will be appropriately dealt with by all steering committees and ways to practically achieve this.
- EIOPA to clarify that the Internal Models Project Group on modelling of volatility adjustment would also report to the Supervisory Steering Committee if the work will not be concluded according to the current plan in November 2017.
- EIOPA to clarify how the project groups will be involved in the preparation of the project plans.
- EIOPA to upload documents after revision to BoS.

**Written Procedure:** Not applicable

### 7.2 Draft Mandates Policy SC, Supervisory SC, InsurTech TF

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- The Management Board had no comments to the mandates of the SSC, PSC and InsurTech Task Force.

**Action points:**

- EIOPA to upload the mandates for BoS approval.

**Written Procedure:** Not applicable

### 7.3 Draft project plan Budapest Protocol PG

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- Not applicable

**Action points:**

- Not applicable

**Written Procedure:** Not applicable

## 8. IAIS ExCo candidates

**Type:** Decision

**Voting results:** Adopted

**Conclusions:**

- The Management Board took note of the two candidates that submitted their applications.
- A decision will be taken by all Western European Region Members within the International Association of Insurance Supervisors (IAIS), on the basis of the IAIS Member Handbook (version June 2017) and Article 13(5) of the By-Laws.
- In accordance with EIOPA's role to facilitate the nomination of Western European Region members for membership of the IAIS Executive Committee, on 28 September, the BoS will serve as a platform for Western European Region members ensuring the effective completion of that nomination process.

**Action points:**

- EIOPA to invite the IAIS Western European Region members that are not represented in EIOPA, i.e. Switzerland and San Marino, and to organise the debate and selection process accordingly.
- EIOPA to inform all Western European Region members on the agreed process via a BoS Cover Note on this topic, thus using the BoS as platform, and Switzerland and San Marino in the respective invitation letters.

**Written Procedure:** Not applicable

## 9. BoS preparation:

- 9.1 Analysis of customer risks in light of the UK withdrawing from the EU
- 9.2 Thematic review on monetary incentives and remuneration: Next steps
- 9.3 IDD Guidelines on execution-only sales

### 9.1 Analysis of customer risks in light of the UK withdrawing from the EU

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- The Management Board appreciated the progress on EIOPA's work to identify consumer risks in light of Brexit and supported the establishment of a pilot group to facilitate the coordination and exchange of information between national supervisors of most affected insurance undertakings.

**Action points:**

- EIOPA to extend the scope of its analysis to include certain long-term non-life business as well as insurance business provided to the UK by EU27 insurers; in addition, further analysis on the national legal frameworks governing e.g. portfolio transfers should be undertaken.
- EIOPA to ensure that the pilot group conclusions are reported back to BoS.

**Written Procedure:** Not applicable

### 9.2 Thematic review on monetary incentives and remuneration: Next steps

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- The Management Board was supportive of an Opinion to National Competent Authorities (NCAs).
- The Opinion should cover (i) how the legal framework applies to conflicts of interest arising from the monetary practices and (ii) the practical application of principles of the legal framework in managing assets of unit-linked funds.
- The Opinion should allow for a follow-up mechanism to assess how practices have evolved.

**Action points:**

- Discussion Note to be submitted to BoS for further discussion and steer with a view to adoption of the Opinion during the November BoS meeting.

**Written Procedure:** Not applicable

### 9.3 IDD Guidelines on execution-only sales

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- MB prefers to wait for clarification from the Commission on the implications of the link to the Packaged Retail and Insurance-based Investment Products (PRIIPs) Key Information Document (KID) comprehension alert before taking a

decision on the issuance of the Guidelines. There was recognition, however, of the importance of the Guidelines supporting the implementation of the Insurance Distribution Directive (IDD) as regards Member States seeking to exercise the derogation under Article 30(3), IDD.

**Action points:**

- The Commission to provide a written clarification on this issue or at least confirm if they intend to provide such a clarification by the upcoming BoS meeting on 28-29 September 2017.

**Written Procedure:** Not applicable

9.4 Insurance Stress Test 2018: Project plan and Roadmap

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:**

- While conceptually it was supported that it makes sense to have an indicator of post stress solvency position, it was also pointed out that there are difficulties of ensuring a consistent Solvency Capital Requirement (SCR) ratio recalculation post stress.
- The request of public disclosure of individual results was discussed with particular emphasis on the impact of Long Term Guarantees (LTG) and transitional measures.
- The analysis of the second round effects should not repeat previous approaches and may be moved to other work streams.

**Action points:**

- EIOPA to further explore ways of assessing solvency position post-stress compatible with the non-pass-fail nature of the exercise.

**Written Procedure:** Not applicable

10. AOB

**Type:** Discussion

**Voting results:** Not applicable

**Conclusions:** Not applicable

**Action points:** Not applicable

**Written Procedure:** Not applicable

Frankfurt am Main

[Signed]

Gabriel Bernardino

Chairperson of EIOPA

