



EIOPA-BoS-18/129

11 April 2018

EIOPA Board of Supervisors Meeting

10-11 April 2018

Final Minutes

Chairman: Gabriel Bernardino

Voting: AT: Peter Braumüller, BE: Dominik Smoniewski, BG: Dimitar Koychev (PoA), CY: Nicos Koullapis, CZ: Zuzana Silberova, DE: Frank Grund, DK: Carsten Brogaard (2nd day), EE: Stina Mander (PoA), ES: Magdalena Rubio Benito (PoA), FI: Anneli Tuominen, FR: Emilie Quema (PoA, 1st day), Sandrine Lemery (2nd day), HR: Ilijana Jeleč, GR: Ioanna Seliniotaki, HU: Ferenc Szebelédi, IE: Sylvia Cronin, IT: Alberto Corinti, LT: Marius Dumbauskas, LU: Claude Wirion, LV: Dina Mikelsone, MT: Marisa Attard, NL: Olaf Sleijpen, PL: Damian Jaworski, PT: Mario Ribeiro, RO: Valentin Ionescu (PoA), SK: Julia Cillikova, SI: Gorazd Čibej, SE: Asa Larson, UK: David Rule

Non-voting: BE: Greet T'Jonck, DE: Thomas Schmitz-Lippert, FI: Teija Korpiaho, IE: Brendan Kennedy, IS: Rúnar Guðmundsson, IT: Alessia Angelilli, IT: Ambrogio Rinaldi, LI: Alexander Imhof, NL: Thijs van Woerden, NO: Hege Bunkholt Elstrand, PL: Mariusz Smetek, SI: Mojca Piškurić, UK: Lesley Titcomb, COM: Nathalie Berger, EBA: Cedric Coraillon-Parquet, ESMA: Mette Sicard Filtenborg, ESRB: Francesco Mazzafero

Experts:

AT: Gerlinde Taurer, CZ: Hana Marčíková, DE: Petra Faber-Graw, ES: José Antonio Fernandez de Pinto, IE: Mary Burke, LU: Laurent De la Hamette, PT: Hugo Borginho, SE: Anna Jegnell, SI: Kristina Kesmic, SK: Zuzana Kardosova, EFTA SA: Per Christian Bærøe

Welcome and introductory remarks by the EIOPA Chairman	Information
Remarks: The Chairman welcomed the attendees to the 3rd meeting of EIOPA's Board of Supervisors (BoS) in 2018.	
1. Adoption of the Agenda	Decision by SMV¹
Remarks: Not applicable Voting Results: BoS adopted, by simple majority voting, the agenda. Written Procedure: Not applicable	
Conclusions: Not applicable Action points: Not applicable	

2. Update by Chairman, Executive Director and COM	Information
Conclusions: Not applicable	
Action points: Not applicable	
3. Election of members and chairs of RFSC¹, the PSC and the SSC	Decision by SMV¹
Conclusions:	
<ul style="list-style-type: none"> The BoS elected by simple majority voting the Chairs and the members of the steering committees. 	
Action points:	
<ul style="list-style-type: none"> EIOPA to provide another opportunity to BoS to express further interest in membership of the Policy Steering Committee (PSC). 	
4. Election of MB members	Decision by SMV¹
Conclusions:	
<ul style="list-style-type: none"> BoS extended by simple majority voting the term of office of Mr Frank Grund as Management Board member till 3 December 2020; and elected Ms Zuzana Silberová for a first term of office as Management Board member from 3 June 2018 till 3 December 2020. 	
Action points: Not applicable	
5. Election of member and substitute of the Mediation Panel	Decision by SMV¹
Conclusions:	
<ul style="list-style-type: none"> BoS elected by simple majority voting Mr. Alberto Corinti as new member of EIOPA's Mediation Panel and Mr. Sergio Alvarez Camiña as new substitute of EIOPA's Mediation Panel. 	
Action points: Not applicable	
6. Revised opinion of the Mediation Panel	Decision by SMV¹
Conclusions:	

¹ Risk and Financial Stability Committee.

- BoS welcomed the concrete steer from the Mediation Panel in this non-binding mediation.
- Furthermore, it noted that general statements and conclusions not related to the dispute should be carefully considered and clarified. Members suggested further clarifications and improvements in the drafting and clarification in respect to the treatment of death coverage. Also it was suggested improving the sequencing of the arguments in the opinion. Members saw it as an area where more convergence and supervisory cooperation is needed be it in view of notification or product launch. Consideration could be given to address these issues in the 2020 review of Solvency II.

Action points:

- BoS to send comments to the revised opinion of the Mediation Panel within two weeks.
- The Mediation Panel to consider CBI's and ACPR's remarks and the comments received and finalise its opinion.
- EIOPA to launch a written procedure to adopt the opinion.

7. Appointment of BoS Member of Advisory Committee on Conflicts of Interest

Decision by SMV¹

Conclusions:

- BoS approved by simple majority voting the appointment of Victoria Natar (Cyprus) as its representative in the Advisory Committee on Conflicts of Interests with regard to EIOPA staff members and contractual parties.

Action points:

- Not applicable

8. Supervisory Convergence:

8.1. Update by Supervisory Steering Information Committee

8.2. Supervisory Convergence Plan

Decision by SMV¹

8.3. Approval of Chapters of the Supervisory Handbook on SCR, Own Funds, ORSA, Groups Solvency and a new Introduction

Decision by SMV¹

Supervisory Convergence:

8.1. Update by SSC

Conclusions: Members welcomed the update and the work done.

Action points: Not Applicable

8.2. Supervisory Convergence Plan

Conclusions:

- Members strongly supported the plan and emphasised the importance of supervisory convergence. Members also pointed out that the plan is very challenging and that implementing the plan is a joint effort by EIOPA and the National Competent Authorities (NCAs). The next step should be to prepare implementation. Prioritisation should take into account the impact of lack of convergence.
- Members referred to the need to provide public feedback on the implementation of the Supervisory Convergence Plan later in 2019.
- Members also emphasised the importance not to include topics like 'resolution and recovery' and 'climate change' because these topics are still in the 'policy phase'.
- BoS adopted by simple majority voting the 'Supervisory Convergence plan 2018/2019', (EIOPA-BoS-18/121, 21 March 2018).

Action points:

- EIOPA to publish the plan as soon as possible.
- EIOPA to prepare the discussion on the planning and implementation of the plan with the Supervisory Steering Committee (SSC).

8.3. Approval of Chapters of the Supervisory Handbook on SCR, Own Funds, ORSA, Groups Solvency and a new Introduction

Conclusions:

- Members recognised that by approving these contents an approval of the version 1.0 of the Supervisory Handbook was implied.
- BoS adopted by simple majority voting the 'Chapters of the Supervisory Handbook' regarding Solvency Capital Requirement (SCR) (EIOPA-BoS-18/083, 21 March 2018); Group solvency (EIOPA-BoS-18/085, 15 March 2018); Introduction (EIOPA-BoS-18/122, 21 March 2018); Own Funds (EIOPA-BoS-18/124, 15 March 2018); Own Risk and Solvency Assessment (ORSA) (EIOPA-BoS-18/126, 15 March 2018); Annex PPP (EIOPA-BoS-18/125).

Action points:

- EIOPA to upload the new approved contents on the Extranet of EIOPA.
- EIOPA to develop a draft Governance Paper of the Supervisory Handbook.
- EIOPA to develop a digital Supervisory Handbook ('e-book') to support supervisors.

9. Update by CCPFI**Information****Conclusions:**

- Members welcomed the update and the work done.

Action points:

- Not applicable

10. Methodology for First Report on Net Performance of insurance-based investment products and personal pension	Decision by SMV¹
<p>Conclusions:</p> <ul style="list-style-type: none"> Members supported the methodology and approved it in principle. In this respect, the project was welcomed in terms of improving transparency and consequently consumer trust as well as engagement in retail investments. The sampling should be adjusted to find a balance between representativeness and proportionality. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to update the methodology as concluded and conduct a pilot of the related questionnaire for the data collection with a small number of insurance undertakings. EIOPA to consider the results of the pilot and request BoS to approve in written procedure the updated methodology, before the official launch of the data collection. 	
11. Conduct of Business Strategy – next steps	Decision by SMV¹
<p>Conclusions:</p> <ul style="list-style-type: none"> Members supported and adopted the conduct strategy, recognising the importance of a focus on conduct of business supervision and supervisory convergence. One Member requested a clarification that work would need to take account of varied national legal frameworks. EIOPA confirmed that this is the intention. BoS approved, by simple majority voting, the document 'EIOPA's Strategy for Conduct of Business Supervision-Next Steps', (EIOPA-BoS-18-095, 7 March 2018). <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to publish the document. 	
12. Update by PSC	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> Members welcomed the update and the work done. <p>Action points:</p> <ul style="list-style-type: none"> Not applicable 	
13. EIOPA's initiative on pensions data	Decision by SMV¹

Conclusions:

- Members supported the initiative, yet brought forward a few implementation issues, which may affect the data quality in the first year of reporting.
- BoS adopted by simple majority voting the 'Decision of the Board of Supervisors regarding EIOPA's regular information requests towards NCAs regarding provision of occupational pensions information' (EIOPA-BoS-18-114, 22 03 2018).

Action points:

- EIOPA to publish the Decision.

14. Brexit issues**Discussion****Conclusions:**

- Majority of Members supported EIOPA's initiative for an Opinion on the solvency position of insurance and reinsurance undertakings in light of Brexit.
- Majority of Members supported EIOPA's initiative for an Opinion on disclosure of information to customers about the impact of Brexit. To ensure a continued high level of customer protection it is necessary to raise awareness about the Brexit implications for customers.

Action points:

- Members to provide any drafting suggestions that supplement their comments in the meeting by 16 April 2018. EIOPA to revise the draft 'Opinion on the solvency position of insurance and reinsurance undertakings in light of the withdrawal of the United Kingdom from the European Union' (EIOPA-BoS-18/145, 22 March 2018) on the basis of the Member comments and submit it to BoS for approval in a written procedure.
- Members to provide any drafting suggestions that supplement their comments in the meeting by 16 April 2018. EIOPA to revise the draft 'Opinion on disclosure of information to customers about the impact of the withdrawal of the United Kingdom from the European Union' (EIOPA-BoS-18/119, 23 March 2018) on the basis of the Member comments and submit it to BoS for approval in a written procedure.

15. Closed Session**Confidential exchange of information****16. Update by RFSC****Information****Conclusions:**

- Members welcomed the update and the work done.

Action points:

- Not applicable

17. 2018 Insurance Stress Test

Discussion

Conclusions:

- Members welcomed the progress made and discussed:
 - The need for ensuring an appropriate validation of the stress test results according to the expectations given the complexity and relevance of the exercise. A clear definition of the validation process is needed both in terms of the information (e.g. solo data, cash flows) and validation rules (e.g. how to utilise the collected information).
 - The need for a solid narrative in the case of any departure from the regulatory framework regarding the Ultimate Forward Rate (UFR).
 - Lack of available resources/volunteers in the Project Group (PG), considering the complexity of the exercise.

Action points:

- The Stress Test PG to provide the narrative for a UFR that departs from the standard EIOPA methodology as well as a clear reference/ a simple table, identifying the information to be disclosed.
- The Stress Test PG to provide a proposal for the additional information to be collected and used in the validation process. This potential additional request shall be communicated to the Stakeholders in the Meeting of 16 April 2018.
- NCAs to commit additional resources in the stress test PG and, particularly, on the validation process.

18. EIOPA database on failures and near misses in insurance: Overview of the causes and early identification

Information

Conclusions:

- BoS welcomed the draft report on the causes and early identification of failures and near misses in insurance. The BoS took note of the next steps.

Action points:

- EIOPA to initiate a BoS written procedure once the data check with the NCAs has been finalised. The final report will be due for publication afterwards, once the written procedure is completed and incorporating the comments of the Members.

19. Peer Review: Draft Final Report Peer review on the Supervisory Practices for the Application of the Proportionality Principle in Governance Requirements regarding Key Functions

Decision by SMV¹

Conclusions:

- Some Members questioned the accuracy of some statements in the report. The

Chair of the Review Panel explained that the process of collecting evidence, via questionnaires, field visits and exchanges of preliminary findings and comments was designed to assure a transparent process to reach conclusions at the Review Panel level. Critical for the Review Panel to be able to take comments on board is evidence to demonstrate inaccuracies and an alignment with the reference period of assessment (scope of the review).

- Regarding specific comments made by several Members on the combinations of key function holders with AMSB (Administration, management or supervisory body) responsibilities, further discussion would be warranted.

Action points:

- EIOPA to revise the 'Report on Peer review on the Supervisory Practices for the Application of the Proportionality Principle in Governance Requirements regarding Key Functions' (EIOPA-BoS-18/105). The revised report should indicate more clearly that the outcome of the report is based on the assessment of NCAs' practices during the reference period.
- EIOPA to underline the message of the report that further improvements of NCAs' approaches have already been monitored even though they cannot be taken into account in the report due to the methodology. Those improvements will be further assessed during the follow-up of the peer review.
- EIOPA to launch a two-step written procedure in view of the adoption of the revised report.

20. Update on IT developments

Information

Conclusions:

- Not applicable

Action points:

- EIOPA to circulate presentation after the meeting.

21. AOB

Information

Conclusions: Not applicable

Action points: Not applicable

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