



EIOPA-BoS-18/510  
27 November 2018

## EIOPA Board of Supervisors Meeting

**27 November 2018**

### Final Minutes

Chairman: Gabriel Bernardino

**Voting**: AT: Peter Braumüller, BE: Dieter Hendrickx, BG: Dimitar Koychev (PoA), CY: Victoria Natar, CZ: Zuzana Silberova, DE: Frank Grund, DK: Carsten Brogaard, EE: Andres Kurgpold, ES: Francisco Carrasco Bahamonde, FI: Teija Korpiaho, FR: Patrick Montagner, GR: Ioanna Seliniotaki, HR: Ante Žigman, HU: Koppany Nagy, IE: Sylvia Cronin, IT: Alessia Angelilli, LT: Mindaugas Salcius, LU: Claude Wirion, LV: Dina Mikelsone, MT: Marianne Scicluna, NL: Olaf Sleijpen, PL: Damian Jaworski, PT: Jose Almaca (1<sup>st</sup> day), Ana Byrne (PoA, 2<sup>nd</sup> day), RO: Raluca Tariuc (PoA), SK: Julia Cillikova, SI: Gorazd Čibej, SE: Bertil Sjö (PoA, 1<sup>st</sup> day), Asa Larson (2<sup>nd</sup> day), UK: Alan Sheppard (PoA)

**Non-voting**: BE: Henk Becquaert, HR: Ilijana Jeleč, IS: Unnur Gunnarsdottir, IT: Ambrogio Rinaldi, LI: Alexander Imhof, MT: Marisa Attard, NO: Hege Bunkholt Elstrand, PL: Mariusz Smetek, UK: David Fairs, COM: Nathalie Berger (1<sup>st</sup> day), Dominique Thienpont (2<sup>nd</sup> day), EBA: Cedric Coraillon-Parquet, ESMA: Verena Ross, ESRB: Olaf Weeken (1<sup>st</sup> day), Francesco Mazzaferro (2<sup>nd</sup> day)

Experts:

AT: Gerlinde Taurer, CZ: Hana Marčíková, Jiri Kalivoda (2<sup>nd</sup> day), DE: Petra Faber-Graw, ES: Javier Castillo, FR: Mary-Cecile Duchon, IE: Attracta Jennings, Helena Mitchell (2<sup>nd</sup> day), LU: Yves Baustert, LV: Ieva Ose, PT: Ana Byrne, SK: Zuzana Kardosova, SI: Kristina Kesmic, UK: Zachary Morris-Dyer

EIOPA Working Group Chairs:

Ludwig Pflieger (CCPFI Chair) (2<sup>nd</sup> day), Veronique Hijl (ITDC Chair)

<b>Welcome and introductory remarks by the EIOPA Chairman</b>	<b>Information</b>
<b>Remarks:</b> The Chairman welcomed the attendees to the 6th meeting of EIOPA's Board of Supervisors (BoS) in 2018.	
<b>1. Adoption of the Agenda</b>	<b>Decision by SMV<sup>1</sup></b>
<b>Conclusions:</b> Not applicable <b>Action points:</b> Not applicable	
<b>2. Update by Chairman, Executive Director and COM</b>	<b>Information</b>

<b>Conclusions:</b> Not applicable	
<b>Action points:</b> Not applicable	
<b>3. Second Iteration Draft Single Programming Document 2020-2022</b>	<b>Discussion</b>
<b>Conclusions:</b>	
<ul style="list-style-type: none"> <li>The uncertainty regarding the important external developments of Brexit, ESAs review and PEPP continues, with an impact on EIOPA's ability to plan for 2020 and beyond.</li> </ul>	
<b>Action points:</b>	
<ul style="list-style-type: none"> <li>EIOPA to address the agreed requests for revision, including making more explicit reference to the European Court of Auditors (ECA) Audit findings.</li> <li>EIOPA to provide resource information in the next iteration of the Draft Single Programming Document 2020-2022.</li> </ul>	
<b>4. Replacement of OPSG Member</b>	<b>Decision by SMV<sup>1</sup></b>
<b>Conclusions:</b>	
<ul style="list-style-type: none"> <li>The BoS approved the replacement of Ms Sonia Maffei by Ms Torun Reinhammer.</li> </ul>	
<b>Action points:</b>	
<ul style="list-style-type: none"> <li>EIOPA to proceed with the Occupational Pensions Stakeholder Group (OPSG) member replacement on the basis of the adopted candidate list.</li> </ul>	
<b>5. Election of member of the Mediation Panel</b>	<b>Decision by SMV<sup>1</sup></b>
<b>Conclusions:</b>	
<ul style="list-style-type: none"> <li>BoS elected by simple majority voting Mr Ante Žigman as new member of EIOPA's Mediation Panel.</li> </ul>	
<b>Action points:</b> Not applicable	
<b>6. Quality Control Committee:</b>	
<b>6.1. Report on 2018 Work</b>	<b>Information</b>
<b>6.2. Mandate 2019</b>	<b>Discussion</b>
<u>6.0. Quality Control Committee (QCC):</u>	
<u>6.1. Report on 2018 Work</u>	
<b>Conclusions:</b>	
<ul style="list-style-type: none"> <li>BoS welcomed the report on the work of the Quality Control Committee (QCC) in 2018.</li> </ul>	
<b>Action points:</b>	
<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	
<u>6.2. Mandate 2019</u>	

**Conclusions:**

- BoS welcomed the draft QCC Mandate for 2019 and the process to finalise and adopt it.

**Action points:**

- Members to inform the QCC Chair on additional proposals for QCC review themes in 2019 by 10 December 2018.
- QCC Chair to present the final QCC 2019 Mandate during the Management Board (MB) meeting of 16 January 2019 for adoption.

**7. Update by PSC****Information****Conclusions:**

- BoS noted the report provided by the rapporteur of the Policy Steering Committee (PSC).

**Action points:**

- Not applicable

**8. Sustainable Finance:****8.1 Sustainable Finance - Consultation on COM's Call for Advice on integration of sustainability risks****Decision by SMV<sup>1</sup>****8.2 Sustainable finance – proposed approach to COM's call for opinion on sustainability within Solvency II****Decision by SMV<sup>1</sup>**8. Sustainable Finance:8.1 Sustainable Finance - Consultation on COM's Call for Advice on integration of sustainability risks**Conclusions:**

- BoS adopted, by simple majority voting, the 'Consultation Paper on Technical Advice on the integration of sustainability risks and factors in the delegated acts under Solvency II and IDD' (EIOPA-BoS-18-483, 15 November 2018).

**Action points:**

- The Consultation Paper to be published for public and stakeholders' comments.

8.2 Sustainable finance – proposed approach to COM's call for opinion on sustainability within Solvency II**Conclusions:**

- BoS adopted, by simple majority voting, the 'Request to EIOPA for an opinion on sustainability within Solvency II' (EIOPA-BoS-18-486, 14 November 2018).

**Action points:**

- Project Group on Sustainable Finance to work according to the proposed scope and timeline

- PSC to approve the public call for evidence and request for information to the National Competent Authorities (NCAs) and (re)insurers, so that the September 2019 deadline can be met.

## **9. Annual report on long term guarantees 2019 Decision by SMV<sup>1</sup>**

### **Conclusions:**

- BoS approved, by simple majority voting, the 'Report on long-term guarantees measures and measures on equity risk' (EIOPA-BoS-18/471, 11 November 2018), subject to changes resulting from a one-week fatal flaw exercise.

### **Action points:**

- EIOPA to start a one-week fatal flaw exercise with Members and implement changes arising from it as well as improvements on the presentations of the findings and the layout of the report. Members to send comments by 7 December 2018, following which EIOPA to submit the report to the EU institutions.

## **10. Report on article 242(2) on group supervision Discussion**

### **Conclusions:**

- BoS welcomed the report on 'Article 242(2) on Group Supervision and Capital Management; and FoS/FoE' and agreed with the overall content of the report and its finalisation.

### **Action points:**

- EIOPA to start a Written Procedure for approval of the document immediately after the BoS Meeting.
- EIOPA to send a final version of the approved document to COM.

## **11. Governance arrangements under the Solvency II 2020 review Information**

### **Conclusions:**

- Not applicable

### **Action points:**

- EIOPA to ask NCAs to name contact points for the Solvency II 2020 Review.

## **12. Qualitative comparison of ICS with SII Discussion**

### **Conclusions:**

- BoS appreciated the qualitative comparison between Solvency II and the Insurance Capital Standard (ICS).

### **Action points:**

- Not applicable

## **13. Update by CCPFI Information**

### **Conclusions:**

- Not applicable

**Action points:**

- Not applicable

**14. Report on Costs and Past Performance****Discussion****Conclusions:**

- Members appreciated the work by EIOPA, acknowledging the difficulty of the project and its importance in the area of Conduct of Business.
- Publication of the report will require increased coverage, further simplification, and further aggregation may be needed to avoid the identification of specific firms.
- Work on improving the situation for following years needed, on standardisation of definitions and methodology for performance for profit participation products.
- Work also needed to ensure further convergence in Key Information Documents so they are comparable.

**Action points:**

- Members to send comments on the draft report by 3 December 2018.
- EIOPA to amend the report soon after reception of comments and submit it to BoS for approval in written procedure.
- EIOPA to request the Actuarial Association of Europe to develop methodology for reporting on profit participation performance.

**15. Framework for assessing conduct risk through the product lifecycle****Decision by SMV<sup>1</sup>****Conclusions:**

- BoS adopted, by simple majority voting, EIOPA's framework for assessing conduct risk through the product lifecycle (EIOPA- BoS-18/411, 23 October 2018).
- BoS welcomed the framework and supported a step-by-step approach to developing periodic conduct risk dashboards.

**Action points:**

- EIOPA to publish the framework.
- The Committee on Consumer Protection and Financial Innovation (CCPFI) to initiate work on a trial conduct risk dashboard for unit-linked products.

**16. IDD – Evaluation of the structure of insurance intermediaries' markets****Decision by SMV<sup>1</sup>****Conclusions:**

- BoS adopted, by simple majority voting, the 'Report on the evaluation of the structure of insurance intermediaries markets in Europe' (EIOPA-BoS-18-445, 28 November 2018).

- Better data, particularly on cross-border business, should be collected for the report on the application of the Insurance Distribution Directive (IDD) in 2020, by identifying what data is available at the national level, what data is needed and what could be collected through reporting without over-burdening the industry.
- A minimum set of definitions of different categories of intermediaries should be developed, taking into account key elements of existing national definitions.

**Action points:**

- EIOPA to publish the above-mentioned report and the 'Country-by-Country Analysis of the insurance intermediation market in the EEA' in Annex IV (EIOPA-BoS-18-462, 9 November 2018).
- CCPFI to follow up on BoS conclusions for the report on the application of the IDD in 2020.

**17. Update by ITDC**

**Information**

**Conclusions:**

- BoS noted the report of the Information Technology and Data Committee (ITDC) and the presentation on data quality project.

**Action points:**

- Not applicable

**18. Closed Session**

**Confidential exchange of information**

**19. Update by SSC**

**Information**

**Conclusions:**

- BoS noted the update by the chair of the Supervisory Steering Committee (SSC).

**Action points:**

- Not applicable

**20. Opinion on non-life cross border insurance business**

**Discussion**

**Conclusions:**

- BoS welcomed the draft Opinion as well as the related activities, subject to further improvements of the wording and comments to be received through a written procedure.

**Action points:**

- EIOPA to discuss the draft Opinion at the next SSC.
- Final Opinion to be approved by BoS through written procedure in December 2018 / January 2019.

<b>21. Supervisory Handbook - Chapter on Internal Model Supervisory Plan</b>	<b>Decision by SMV<sup>1</sup></b>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>BoS adopted, by simple majority voting, 'EIOPA Supervisory Handbook - Supervisory Work Plan on Internal Models' (EIOPA-BoS-18/447, 8 November 2018).</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>EIOPA to integrate the chapter in the Supervisory Handbook.</li> </ul>	
<b>22. Options report on remuneration policies of insurance undertakings</b>	<b>Decision by SMV<sup>1</sup></b>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>BoS adopted, by simple majority voting, 'Options report – remuneration policies insurance undertakings' (EIOPA-BoS-18/438, 14 November 2018).</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>The Project Group to start working on the 'draft EIOPA tool' on remuneration, considering the comments from Members as mentioned in BoS.</li> <li>EIOPA to send a letter to COM asking for further alignment between the insurance and banking sector to be considered in the Solvency II 2020 Review.</li> </ul>	
<b>23. Draft Final Report Peer Review on Prudent Person Rules for IORPs</b>	<b>Decision by SMV<sup>1</sup></b>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>BoS adopted, by simple majority voting, 'Peer Review on Supervisory practices with respect to the application of the Prudent Person Rules for IORPs', (EIOPA-BoS-18-480, 14 November 2018).</li> <li>The report was approved subject to the implementation of a factual update recommended by the Members.</li> <li>The public report to be brought to the BoS for a final vote for publication.</li> </ul> <p><b>Action points:</b></p> <ul style="list-style-type: none"> <li>NCA's to consider nominees for the forthcoming peer review on Regular Supervisory Reporting (RSR).</li> <li>NCA's to send any detailed factual remarks to EIOPA by 30 November 2018, 12.00 (noon).</li> </ul>	
<b>24. Public Report on Peer Review on Propriety of AMSB Members and Qualifying Shareholders</b>	<b>Decision by SMV<sup>1</sup></b>
<p><b>Conclusions:</b></p> <ul style="list-style-type: none"> <li>BoS adopted, by simple majority voting, 'Results of the peer review on propriety of administrative, management or supervisory body members and qualifying shareholders' (EIOPA-BoS-18-477, 16 November 2018).</li> </ul> <p><b>Action points:</b></p>	

- EIOPA will inform the communication network in advance of the publication of the peer review outcomes.
- The report will be published on the EIOPA website.

## 25. Update by RFSC

## Information

### Conclusions:

- BoS noted the update provided by the Rapporteur of the Risk and Financial Stability Committee (RFSC).

### Action points:

- Not applicable

## 26. Insurance Stress Test 2018

## Discussion

### Conclusions:

- The update was well received and BoS agreed on the proposed way forward.

### Action points:

- EIOPA to initiate follow-up work and potential recommendations in January 2019.

## 27. IORPs Stress Test 2019: Update

## Information

### Conclusions:

- The update was well received and BoS agreed on the proposed way forward.

### Action points:

- EIOPA to explore options on methodological work to be initiated after finalising the Institutions for Occupational retirement Provision (IORPs) Stress Test 2019.
- EIOPA to liaise with European Securities and Markets Authority (ESMA) on its experience with approaches used to evaluate the Environmental Sustainable Governance (ESG) risks.

## 28. AOB

## Information

### Remarks:

Next BoS meeting is on 30-31 January 2019.

**Voting Results:** Not applicable

**Written Procedure:** Not applicable

**Conclusions:** Not applicable

**Action points:** Not applicable

<sup>1</sup>: Decision by simple majority (Article 44(1) 1<sup>st</sup> para. EIOPA Regulation)

<sup>2</sup>: Decision by qualified majority (Article 44(1) 2<sup>nd</sup> para. EIOPA Regulation)



[Signed]

Gabriel Bernardino

Chairperson of EIOPA