

EIOPA Board of Supervisors Meeting
14-15 June 2012
Approved Minutes

Chair: Gabriel Bernardino

Members and Observers:

Voting: AT: Peter Braumüller, BE: Michel Flamee, BG: Antoniya Gineva (Acting Alternate), CY: Victoria Natar, CZ: Zuzana Silberová, DE: Gabriele Hahn, DK: Jan Parner, EE: Kaido Tropp (1st day only), Eret Vösa (Acting Alternate, 2nd day only), FI: Hely Salomaa, FR: Danièle Nouy, GR: Charalampos Vogiatzis, HU: József Banyar, IE: Fiona McMahon, IT: Fausto Parente (IGSC Chair), LV: Dina Mikelsona, LT: Mindaugas Salcius, LU: Claude Wirion, MT: André Camilleri, NL: Peter Hoekstra (Acting Alternate, 1st day only), Joanne Kellermann (2nd day only), PL: Damian Jaworski, PT: Mario Ribeiro, RO: Constantin Buzoianu (1st day only), Rodica Popescu, SK: Julia Cillikova, SI: Sergej Simoniti, ES: María Flavia Rodríguez-Ponga Salamanca, SE: Bertil Sjöo, UK: Julian Adams (Peer Review Chair)

Non-voting: BE: Mathias Dewatripont, HR: Petar-Pierre Matek, Gordana Letica, DE: Thomas Schmitz-Lippert (JCFC Chair), IS: Halldóra Ólafsdóttir, IT: Raffaella Capuano, LI: Alexander Imhof, NO: Morten Baltzersen, RO: Ion Giurescu, Adina Maria Dragomir, SK: Lucia Stefunkova, SI: Jurij Gorisek, ES: Pablo Muelas Garcia, UK: Nigel Peaple (1st day only), COM: Karel Van Hulle, EBA: Corinne Kaufman, ESMA: Verena Ross (1st day only), ESRB: Francesco Mazzaferro

Experts:

AT: Gerlinde Taurer, BE: Ann Devos, BG: Stefan Stoilkov, DE: Petra Faber-Graw, FR: Emilie Quema, IT: Lucilla Caterini, LU: Yves Baustert, NO: Lisbeth Strand, PL: Katarzyna Malgorzata Chrzanowska, PT: Hugo Borghino, UK: Fiona Rogers

EIOPA Working Group Chairs:

Brendan Kennedy (OPC Chair), Ole-Joergen Karlson (IGS Chair), Olaf Ermert (FinReq Chair), Pauline de Chatillon (CCPFI Chair), Paolo Cadoni (IntMod Chair), Patrick Darlap (FSC Chair), Ed Forshaw (Equivalence Committee Chair), David Revelin (IGSRR Vice-Chair)

EIOPA Staff:

Carlos Montalvo Rebuella (EIOPA Executive Director), Patrick Hoedjes (EIOPA Director of Operations), Daniela Rode (EIOPA Director of Regulation), Catherine Coucke, Sophia Millili-Makrydakias, Andrew Mawdsley, Manuela Zweimüller, Katja Würz, Tilmann Roth, Justin Wray, Jarl Kure, Pamela Schuermans, Danny Janssen, Giulia Conforti, Simona Dascalu, David Cowan, Lay Peng Lim, Kai Kosik, Sandra Desson, Katarzyna Wojtkiewicz, Barthold Kuipers, Ana Teresa Moutinho

1.	Welcome and introductory remarks by the EIOPA Chair
	The Chair welcomed the attendees to the 4th meeting of EIOPA Board of Supervisors (BoS) and ascertained that the Board has been duly called and is competent to adopt decisions.
2.	Adoption of the Agenda
	Conclusions and Action points:
	<ul style="list-style-type: none"> ▪ Draft Agenda (EIOPA-BoS-12/035) was adopted with no change.
3.	Update by Chair, Executive Director and COM
	Conclusions and Action points:
	No conclusion or action point was taken.

4. Introduction of HANFA/Croatian Financial Services Supervisory Agency (CFSSA) President

Conclusions and Action points:

No conclusion or action point was taken.

5. Management Board member election

Conclusions and Action points:

- Daniele Nouy (ACP, France) was elected as EIOPA's new Management Board member in accordance to Article 7 of the BoS Rules of Procedure.

6. International relations

6.1. Proposal for candidates for IAIS Executive Committee

Conclusions and Action points:

- The BoS endorsed all EIOPA Members' candidates as well as the Swiss candidate as proposed by the Management Board to be put forward to IAIS for the five seats of the Western and one of the Eastern-Central European Region of the Executive Committee. The candidates endorsed are Gabriel Bernardino (EIOPA), Peter Braumüller (AT), Thomas Schmitz-Lippert (DE), Julia Cillikova (SK), Julian Adams (UK) and Patrick Raaflaub (CH).

7. Stakeholder groups

7.1. Proposal for academic candidate for Insurance and Reinsurance Stakeholder Group

Decision by QMV²

Conclusions and Action points:

- The BoS endorsed the Management Board's proposal for the appointment of Mr. Pierpaolo Marano (IT) as academic for EIOPA's Insurance and Reinsurance Stakeholder Group (IRSG).

8. Consumer Protection and Financial Innovation

8.1. Proposal for Guidelines on Complaints handling by insurance undertakings

8.2. Proposal for a Report on Best Practices by Insurance Undertakings in handling complaints

8.3. Resolutions on the comments received during the public consultation

8.4. Summary of the main issues arising during the public consultation and EIOPA's response

8.5. CCPFI questions to BoS on scoping of work on Guidelines on complaints-handling by insurance intermediaries

8.6. EIOPA's updated Survey of national competent authorities' competences in the field of consumer protection (plus Annexes)

8.7. Report on the Role of IGS in the Winding Up Procedures of Insolvent Undertakings

Conclusions and Action points:

Complaints-Handling Guidelines and Best Practices

- The BoS adopted the Guidelines on complaints-handling by insurance undertakings as they were proposed, subject to a commitment by EIOPA to supplement the text of "EIOPA-

11/151 Guidelines and Recommendations - Framework, process and style guide” and amend the responses to the public consultation on the Guidelines as regards the compliance criteria for competent authorities where national rules go into further detail.

- The BoS adopted the Best Practices Report on complaints-handling by insurance undertakings and approved the resolutions on the comments received during the public consultation (subject to the revisions outlined below) and summary of the main ones arising during the public consultation.
- Responses to public consultation should be slightly amended so as to:
 - Reinforce the distinction between a “function” (when referring to the “complaints management function” in the Guidelines) and “key functions” under the governance provisions of Solvency II; and
 - Further address the principle of proportionality.
- As a follow-up, CCPFI should work on a separate short, user-friendly document on how the Guidelines would apply in practice to small insurance undertakings.
- With regard to the questions put to the BoS on the scope of future work on Guidelines on complaints-handling by insurance intermediaries, it was agreed that such Guidelines should apply to all insurance intermediaries (irrespective of their size), but the appropriateness of applying such Guidelines to certain categories of insurance intermediary such as tied agents should be taken into account in formulating them. In the same way as for insurance undertakings, CCPFI should explore how the Guidelines would apply to small insurance intermediaries.

Competences

- The BoS adopted the Updated Survey of national competent authorities’ competences in the field of consumer protection (plus Annexes).

Report on the Role of the Insurance Guarantee Schemes (IGSs) in the Winding Up Procedures of Insolvent Insurance Undertakings in the EU/EEA

- The draft report was adopted by the BoS and is to be submitted to the European Commission with a cover letter highlighting the following:
 - Conclusions of the report, and also those from previous complementary report completes the full picture of the current IGS landscape in the EU/EEA; and
 - That comprehensive cover by an IGS is not common in Member States.
- The draft cover letter will be circulated to the BoS for comment at the earliest before being sent to the European Commission with the Report.

9. Internal procedures

9.1. JC Alignment of ESAs Rules of Procedures –Overview note

9.2. Breach of Union Law (BUL)

a. EIOPA Note on the Internal Processing Rules on the Investigation re BUL

b. JC Draft BUL Processing Rules (clean)

c. EIOPA's amended Rules (Tracked changes)

d. EIOPA Feedback Statement on comments received

e. JC BUL- Harmonised disclosure

9.3. Mediation

a. EIOPA Note on the Rules of Mediation

b. JC Draft Mediation Rules (clean)

c. EIOPA's amended Rules (Tracked changes)

d. Feedback Statement on comments received

9.4. Board of Supervisors – Rules of Procedures

a. EIOPA's amended Rules (Track changes)

b. EIOPA Feedback Statement on comments received

Conclusions and Action points:

- The BoS adopted the revised Rules of Procedure of the Board of Supervisors, subject to one amendment:
 - Article 4.12, 5th bullet point: "Justifying the use of written procedure where it is used in relation to the adoption of acts according to Article 44 (1) second and third paragraphs of The Regulation; and"

It is noted that detailed voting results will be included in the deliberations of the meetings and that references in Working Group's mandates to "Members" mean all national competent authorities represented in the Board of Supervisors (Voting Members, Permanent Representatives and Observers).

- The BoS adopted the Internal Processing Rules on Investigation regarding the Breach of Union Law, subject to two amendments:
 - Replace "Requester" by "Informer" to better reflect Article 17(2) of the EIOPA Regulation.
 - Complete Article 11 (Conflict of interest) with a cross-reference to Art 2C and 3: "... with regard to the conclusion of the investigation as provided in Article 5 of these Rules or at any earlier stage of the process (Article 2C and Article 3) if the conflict of interest ..."
- The BoS adopted the Rules of procedure of the Mediation Panel.
- It is noted that the supplementary rules, forms and guides of the Panel shall also be discussed (and not only reported) at the BoS before their adoption by the Panel.

10. Colleges

10.1. Result EIOPA's monitoring action point I and action point II.1

10.2. Coordination arrangement and emergency plan template for colleges

Conclusions and Action points:

- The BoS approved EIOPA's monitoring action point I and action point II.1 along with the proposed recommendations:
 - Colleges that do not have an emergency plan yet should develop one in the summer 2012
 - Regarding internal model work, the College Team will start to collect, discuss with Internal Models working group and disseminate best practices found in colleges
 - The College Team should encourage Group Supervisors to arrange a specific telephone call or written procedure on the College to do list for Solvency II and information exchange if their meeting is planned for autumn
 - The BoS agreed to upload on the restricted area of EIOPA's website the interim report and information provided in the Annexes after including more granular information regarding the size of the group and a final check of the data through the IGSC

- The BoS agreed that the updated coordination and emergency plan templates can be used by the Colleges as an updated and improved version of the December 2011 version and can serve for the preparation for Solvency II.

11. ITDC

11.1. Update on the process of definition of EIOPA data needs

Conclusions and Action points:

- The BoS approved the approach (including the level of justification) for defining and justifying the data subset.
- The BoS agreed on the business requirement to submit a defined harmonised subset of data that should be addressed by EIOPA IT Architecture.

12. EIOPA Work Programme 2013

Conclusions and Action points:

- The BoS was asked to send general comments to the Work Programme 2013 and also to give feedback to the suggested selected deliverables that will be dropped in case of budget cuts. Deadline 16 July.

13. Pensions

13.1. Technical specifications for quantitative impact study: version for public consultation

Conclusions and Action points:

- The BoS approved the draft technical specifications QIS (incl. timeline) to be made public for consultation
- The BoS suggested the following amendments:
 - Include a placeholder that the compromise reached in the dialogue on long-term guarantees will be included later
 - Mention in the introduction that QIS needs to test whether SII specifications are suitable for IORPs
 - Stress in introduction that occupational pensions and insurance are not identical
 - Add a caveat that Counter Cyclical Premium risk is not included in SCR standard formula
 - Clarify that Counter Cyclical Premium and matching premium cannot be used both by IORPs
 - Mention in the introduction that EIOPA will develop common method to adjust SCR to account for lower confidence levels

Closed session

Conclusions and Action points: Confidential exchange of information

14. Financial Stability

14.1. Stress test framework

14.2. Possibility of a harmonised approach to a QIS 5 bis exercise

Conclusions and Action points:

Stress test framework

- The BoS agreed with the revision of the timetable as presented.
- The BoS repeated their commitment to the 2012 stress test.
- The BoS agreed with the outlined design of the pre-stress test Solvency II-like framework.

Possibility of a harmonised approach to a QIS 5 bis exercise

- The BoS supported the development of a common framework.
- This exercise can be included in National Supervisory Authorities' initiatives of preparation for Solvency II.
- Members should report results to EIOPA in order to use them on the impact assessment of standards and guidelines according to the EIOPA Regulation.

15. Solvency II

15.1. Outcome of the consultation processes on Guideline/standards on ORSA and reporting

15.2. Progress in developing consolidated drafts

15.3. Draft cumulative Impact Assessment on Technical Standards and Guidelines

15.4. Note on the SRP Guidelines and Supervisory Review Manual

Conclusions and Action points:

- The ORSA final report was agreed to be published with the disclaimer that the final guidelines would be confirmed upon the finalisation of the Omnibus II Directive and the Commission's delegated acts.
- The Reporting final report was agreed to be published with the disclaimer that the final requirements would be confirmed upon the finalisation of the Omnibus II Directive and the Commission's delegated acts.
- Members were informed of EIOPA's plans to take further steps with working groups and EIOPA staff to continue the improvements to the quality of the drafting and legal style of the standards and guidelines. Members States were invited to second national experts with legal and drafting expertise to assist at EIOPA's premises on the continuous consistency check during the summer; while as normal working groups remain responsible for the production of technical advice.
- The BoS approved the approach set out for the impact assessment for the Guidelines and Standards.
- The BoS agreed to the approach set out for the development of guidelines for SRP and supervisory manual. IGSRR should prepare a workplan for the further development of guidelines for the November BoS. It was also decided to reconsider the title of the manual, in order to reflect the fact that it is not intended to be a prescriptive instrument.

16. AOB

Conclusions and Action points:

- The BoS was informed that in line with the Regulation requiring EIOPA to present its annual reports on 15 June every year, EIOPA Annual Report 2011 was published on EIOPA's website on 15 June 2012. Direct link: <https://eiopa.europa.eu/publications/annual-reports/index.html>
- EIOPA next BoS meeting on 27 and 28 September 2012 in Frankfurt.

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