

EIOPA Board of Supervisors Meeting

27-28 March 2019

Final Minutes

Chairman: Gabriel Bernardino

Voting: AT: Peter Braumüller, BE: Jean Hilgers (1st day), BG: Vladimir Savov, CY: Nicos Koullapis, CZ: Zuzana Silberova, DE: Thomas Schmitz-Lippert, DK: Carsten Brogaard, EE: Andres Kurgold, ES: Sergio Alvarez Camiña, FI: Teija Korpiaho, FR: Patrick Montagner, GR: Ioanna Seliniotaki, HR: Ante Žigman, HU: Koppány Nagy, IE: Sylvia Cronin, IT: Alberto Corinti, LT: Mindaugas Šalčius, LV: Dina Mikelsons, LU: Claude Wirion, LV: Dina Mikelsons, MT: Marianne Scicluna, NL: Olaf Sleijpen, PL: Damian Jaworski, PT: Jose Almaca, RO: Cristian Rosu, SK: Lucia Štefunková, SI: Gorazd Čibej, SE: Asa Larson, UK: David Rule.

Non-voting: BE: Dieter Hendrickx, BE: Henk Becquaert, HR: Ilijana Jeleč, CY: Constantinos Stavarakis (2nd day), ES: Francisco Carrasco Bahamonde, IE: Gerry Cross, IS: Rúnar Guðmundsson, IT: Alessia Angelili, Ambrogio Rinaldi, LI: Alexander Imhof, LU: Annick Felten (1st day), MT: Ray Schembri, NO: Hege Bunkholt Elstrand, SI: Mojca Piskuric, COM: Nathalie Berger, EFTA SA: Marco Uccelli, EBA: Philippe Allard, ESMA: Joe Heavey, ESRB: Francesco Mazzaferro.

Experts: AT: Gerlinde Taurer, DE: Petra Faber-Graw, FR: Mary-Cecile Duchon, IE: Zita Culliton, LU: Yves Baustert, PT: Ana Byrne, RO: Valentin Ionescu, SK: Zuzana Kardosova, Andrea Gondova (2nd day), Peter Tkac (2nd day), UK: Nam Le, ECB: Ioannis Ganoulis (item 23).

EIOPA Working Group Chairs: Ludwig Pfleger (CCPFI Chair), Veronique Hijl (ITDC Chair), Kathleen Köhn (InsurTech Task Force Chair – item 15).

Welcome and introductory remarks by the EIOPA Chairman		Information
Remarks: The Chairman welcomed the attendees to the second meeting of EIOPA’s Board of Supervisors (BoS) in 2019.		
1.	Adoption of the Agenda	Decision by SMV ¹
Conclusions: <ul style="list-style-type: none">BoS adopted, by simple majority voting, the agenda. Action points: <ul style="list-style-type: none">Not applicable		
2.	Update by Chairman, Executive Director and COM	Information
Conclusions:		

- BoS ratified its earlier adoption, by qualified majority voting, of the joint ESA draft RTSs on clearing exemptions and margin exemptions for novations, obtained within a red flag non-objection procedure on 26 March 2019.

Action points:

- Not applicable

3. Election of an MB Member

Decision by SMV¹

Conclusions:

- BoS elected, by simple majority voting, Mr Sergio Álvarez Camiña as a member of the Management Board for a term of two and a half years.

Action points:

- Not applicable

4. Discussion on Brexit

Discussion

Conclusions:

- BoS agreed with the proposed next steps: to continue with the Brexit cooperation platform after Brexit and to launch a fifth information request on the status of insurance business and policyholder obligations at the withdrawal date. BoS supported the proposed measures to be taken with regard to access to the Extranet, distribution lists etc...

Action points:

- EIOPA to continue the Brexit cooperation platform after the Brexit date.
- EIOPA to launch the fifth information request.
- Members to inform their staff about upcoming measures regarding access to the Extranet, distribution lists.

5. EIOPA's work on PEPP

Discussion

Conclusions:

- BoS agreed the proposed working structure involving a project group under PSC to work on the requirements for information documents, the features of PEPP and the corresponding supervisory reporting and cooperation. Representatives of EBA and ESMA will be invited to participate in that project group. Under the umbrella of ITDC, a sub-group should prepare the new registers.
- BoS viewed that the mandated timeline of 12 months to finalise the required policy work (Delegated Acts, Regulatory Technical Standards and Implementing Technical Standards) is very ambitious and may require prioritisation of tasks.

Action points:

- EIOPA to implement the agreed working structure.

6. Update by the PSC Chair

Information

Conclusions:

- BoS noted the report provided by the Chair of PSC.

Action points:

- Not applicable

7. Solvency II 2020 Review

Decision by SMV

Conclusions:

- BoS approved, by simple majority voting, the task allocation, the timeline, the structure of the EIOPA Opinion on the Solvency II 2020 Review and the list of objectives for the impact assessment as set out in the Update on the 2020 Review note (EIOPA-BoS-19/148), with few amendments.

Action points:

- EIOPA to submit the highlighted issues on the Solvency II 2020 Review for discussion to the BoS meeting in June 2020.

8. Sustainable Finance

8.1 Update on EIOPA's Action Plan

Decision by SMV¹

8.2 Advice on Integrating Sustainability in Solvency II and IDD - Update on Outcome of Consultation

Discussion

8.3 Strategic discussion: Natural Catastrophes: Protection Gap

Discussion

8.1. Update on EIOPA's Action Plan

Conclusions:

- BoS approved, by simple majority voting, the initiatives listed in the updated action plan as contained in 'Sustainable Finance – Update of Action Plan' (EIOPA-BoS-19/186 , 27 March 2019) and 'Sustainable Finance EIOPA Projects 2019' (EIOPA-BoS-19-187, 27 March 2019).
- BoS agreed with the proposal to update the relevant Committees of the EIOPA working structure about the latest developments regarding taxonomy.

Action points:

- EIOPA to organise a call with the chairs and the members of PSC, RFSC and CCPFI to inform them of the developments regarding taxonomy.

8.2 Advice on Integrating Sustainability in Solvency II and IDD - Update on Outcome of Consultation

Written Procedure: EIOPA to subsequently initiate a written procedure for BoS approval of the Technical Advice.

Conclusions:

- BoS generally supported the proposed way forward after public consultation and agreed on the need to consider possible amendments to the Technical Advice in view of the political agreement on the Proposal for Regulation on sustainability-related disclosures in the financial services sector (in particular, with respect to remuneration).
- BoS supported full alignment with the Regulation on disclosures may require follow-up coordination with COM after the submission of the Technical Advice.

Action points:

- EIOPA to reflect the conclusions of the BoS discussion in the draft Technical Advice.

8.3. Strategic discussion: Natural Catastrophes: Protection Gap**Conclusions:**

- BoS supported EIOPA in initiating the discussion on the natural catastrophes protection gap as part of the broader sustainability initiatives of EIOPA. EIOPA was encouraged to consider the cross-sectoral (impact of catastrophes on the financial sector and overall in financial stability).
- BoS suggested to further develop the document on the role of insurers in the context of the protection gap, with regard to the provision of insurance coverage, the enhancement and the promotion of risk mitigating behaviour and risk adaptation measures. As a next practical step in this respect, BoS suggested to map coverages for existing perils on national level and respective initiatives.
- BoS supported the proposal to pro-actively engage with industry and other relevant stakeholders and also to bring the discussion to the political level.

Action points:

- EIOPA to request information from Members on insurance penetration, main perils, national initiatives and schemes, amongst others, coordinated through PG on Sustainable Finance.
- EIOPA to engage with industry to further elaborate the role of insurers in this context and explore how they can contribute more, e.g. in Public Private Partnerships.
- EIOPA to engage with ESRB with regard to the potential financial stability relevance of natural catastrophes protection gap.
- In the medium term EIOPA to reach out to the EU Institutions to initiate the discussion on a pan-European level.

9. Update by the SSC Chair**Information****Conclusions:**

- BoS noted the report of the Chair of SSC.

Action points:

- Not applicable

10. EIOPA Answer to COM FinTech Action Plan on Decision by SMV¹ Information Communication Technology Security Governance and Cyber resilience testing

Written Procedure: EIOPA to launch a written procedure to approve the Joint Advices together with the other ESAs.

Conclusions:

- Members supported the Joint Advices on Information Communication Technology Security Governance and Cyber resilience testing (EIOPA-BoS-19/173, 13 March 2019 and EIOPA-BoS-19/174, 13 March 2019).
- BoS pointed to the importance to liaise with all relevant EU institutions/agencies with responsibilities on this topic to avoid overlaps or inconsistencies.

Action points:

- After approval the Advices will be published via the Joint Committee and ESAs' websites and submitted to COM.

11. Strategic approach on Internal Models

Decision SMV

Conclusions:

- BoS approved, by simple majority voting, the proposal to establish an Internal Model (IM) Forum, and the initial tasks proposed, as contained in 'Internal model information: how to enable the BoS' view on (ongoing) appropriateness of internal models' (EIOPA-BoS-19/147, 12 March 2019).
- Host supervisors engaged in IM supervision to be invited to participate in the IM Forum along with group supervisors.

Action points:

- EIOPA to set up formally the IM Forum under the SSC and to organize its next meeting.
- EIOPA to invite host supervisors to participate in the IM Forum along with group supervisors.

**12. Report on 2018 Supervisory Activities and Decision by SMV¹
Review of 2019 Supervisory Convergence Plan**

Conclusions:

- BoS approved, by simple majority voting, the 'Report on EIOPA Supervisory Activities in 2018' (EIOPA-BoS-19/110, 12 March 2019).

Action points:

- EIOPA to publish the report after improving the graphics.
- EIOPA to submit the report to the European Parliament (EP) in accordance with article 259 of the Solvency II Directive.

**13. Supervisory Statement on application of Decision by SMV¹
Proportionality Principle in the supervision of
SCR**

Conclusions:

- Not applicable

Action points:

- EIOPA to publish the Supervisory Statement on its website.

14. Updated by the CCPFI Chair

Information

Conclusions:

- BoS noted the report of the Chair of CCPFI.

Action points:

- Not applicable

15. Report on Thematic Review on Big Data

Decision SMV

Conclusions:

- BoS approved, by simple majority voting, the report 'Big Data Analytics in motor and health insurance: a thematic review' (EIOPA-BoS-19/167, 12 March 2019).

Action points:

- EIOPA to publish the report on EIOPA's website.

16. Closed Session

**Confidential
exchange of
information**

17. Update by the RFSC Chair

Information

Conclusions:

- BoS noted the update provided by the Head of Risks and Financial Stability Department.

Action points:

- Not applicable

18. Insurance Stress Test 2018: Recommendations

Decision by SMV

Conclusions:

- BoS approved, by simple majority voting, the 'EIOPA's Insurance Stress Test 2018 Recommendations' (EIOPA-BoS-19/144, 11 March 2019), subject to the amendments and clarifications agreed, which will be incorporated ahead of the publication.
- BoS noted that a more detailed timing for follow-up will be proposed after the publication of the Recommendations.

Action points:

- EIOPA to amend the recommendations in line with the comments agreed and to publish them.

19. IORPs Stress Test 2019: Final Package

Decision by SMV

Conclusions:

- BoS approved, by simple majority voting, the final stress test package, the ESRB market scenario and the launch of the exercise.

Action points:

- EIOPA to publish the stress test package and to launch the 2019 IORP Stress Test.

20. Way forward on a Potentially Harmonised Discussion Network of National IGSs	
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS generally supported the essential elements of the proposal, i.e. the need to have an insurance guarantee scheme (IGS) in place in each Member State (MS) that ensures a minimum harmonisation. The exact legal structure should be left to the discretion of Member States. On the technical elements, there was a broad agreement on the home-country approach. It was concluded that more work is needed on some of the elements, such as the role, funding and policies covered. <p>Action points:</p> <ul style="list-style-type: none"> The PG on Recovery and Resolution to continue working on a solution in line with the guidance received. 	
21. Update by the ITDC Chair	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS noted the Update on IT and Data Developments. <p>Action points:</p> <ul style="list-style-type: none"> Not applicable 	
22. Data Strategy 2019-2023	Decision by SMV¹
<p>Conclusions:</p> <ul style="list-style-type: none"> The BoS approved, by simple majority voting, EIOPA Data Strategy 2019-2023 (EIOPA-BoS/19-128, 11 March 2019). <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to work on implementation plan where gradual implementation and prioritisation will be defined considering the IT, human and budget resources needed and available. 	
23. Data Quality: EIOPA and ECB Joint Principles	Decision by SMV¹
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS approved, by simple majority voting, the joint EIOPA - ECB document 'Common minimum standards between ECB, EIOPA, NCBs and NCAs on the need for revisions of data submitted' (EIOPA-BoS-19/158, 7 March 2019). The ECB representative confirmed that the document has been approved by the relevant ECB governance structures subject to linguistic checks. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA and ECB to publish the joint document 'Common minimum standards between ECB, EIOPA, NCBs and NCAs on the need for revisions of data submitted' on their respective websites. 	
24. Update of Pensions Registers	Decision by SMV

Conclusions:

- BoS approved, by simple majority voting, the 'Decision of the Board of Supervisors on the reporting of national provisions of prudential nature relevant to the field of occupational pension schemes' (EIOPA-BoS/19-162, 7 March 2019).
- BoS approved, by simple majority voting, the 'Decision of the Board of Supervisors on the Register of Institutions of Occupational Retirement Provision' (IORPs) with the amendment to keep the reporting of the Legal Entity Identifier (LEI) of the entity optional until further examination of the LEI reporting issue (EIOPA-BoS/19-163, 7 March 2019).
- BoS approved, by simple majority voting, the 'Decision of the Board of Supervisors on the Database of Pension Plans and Products in the EEA' with the amendment to include an annual checking – instead of every 3 years – of the database by National Competent Authorities (NCAs) (EIOPA-BoS/19-165, 7 March 2019).

Action points:

- EIOPA to publish the three Decisions on its website.

25. AOB**Information****Conclusions:**

- Not applicable

Action points:

- Not applicable

Frankfurt am Main

[Signed]

Gabriel Bernardino
Chairperson of EIOPA