

EIOPA Board of Supervisors Meeting

24-25 September 2019

Final Minutes

Chairman: Gabriel Bernardino

Voting: AT: Peter Braumüller, BE: Jean Hilgers, BG: Vladimir Savov, CY: Nicos Koullapis, CZ: Zuzana Silberova, DE: Frank Grund, DK: Carsten Brogaard, EE: Stina Mander (PoA), ES: Sergio Alvarez, FI: Teija Korpiaho, FR: Patrick Montagner, GR: Ioanna Seliniotaki, HR: Ante Žigman, HU: Koppány Nagy, IE: Gerry Cross, IT: Alberto Corinti, LT: Marius Dumbauskas, LU: Claude Wirion, LV: Dina Mikelsona, MT: Ray Schembri, NL: Olaf Sleijpen, PL: Damian Jaworski, PT: Margarida Corrêa de Aguiar, RO: Cristian Rosu, SK: Julia Čillíková, SI: Goraz Čibej, SE: Asa Larson, UK: Anna Sweeney

Non-voting: BE: Dieter Hendrickx, Henk Becquaert, CZ: Jiri Kalivoda, DE: Thomas Schmitz-Lippert, ES: Francisco Carrasco Bahamonde, HR: Ilijana Jeleč, IE: Andrew Candland, IS: Rúnar Guðmundsson, IT: Alessia Angelilli, Ambrogio Rinaldi, LI: André Hoffmann (PoA), NO: Lene Tofte Dønvold (PoA), PL: Mariusz Smetek, PT: Ana Byrne, SI: Mojca Rome, COM: Didier Millerot, EFTA SA: Marco Uccelli, EBA: Philippe Allard, ESMA: Joe Heavey, ESRB: Francesco Mazzaferro

Experts:

AT: Gerlinde Taurer, CZ: Hana Marčíková, DE: Petra Faber-Graw, IE: Zita Culliton, FR: Mary-Cécile Duchon, LU: Yves Baustert, PT: Hugo Borghino, RO: Valentin Ionescu, SK: Zuzana Kardosova, COM: Elleonora Soares

EIOPA Working Group Chairs:

Ludwig Pfleger (CCPFI Chair), Veronique Hiji (ITDC Chair)

EIOPA Staff:

Fausto Parente (EIOPA Executive Director), Susanne Rosenbaum, Ivo Karshev, Ineta Galubicke, Ana Teresa Moutinho (items 3, 9, 21, 22, 23), Giovanni Rago (items 3, 21), Paola Brenda (items 3, 21), Mette von Sicard (items 3, 4, 5, 6), Kai Kosik (item 4), Florian Ouillades (item 4), Philip Codrai (items 5, 6, 7), Danny Janssen (items 6, 7), Justin Wray (items 8, 9, 10), Pamela Schuermans (items 8, 10), Lars Dieckhoff (item 9), Lazaro Cuesta Barbera (item 9), Dimitris Zafeiris (items 9, 17, 18, 19), Juan Zschiesche (item 9), Marie Scholer (item 10), Olivier Givaudan (item 10), Timothy Shakesby (items 11, 12, 13), David Cowan (items 11, 12), Pascal Pfefferle (item 11), Timothy Walters (item 12), Irina Popa (item 13), Hiltrud Besgen (item 14), Petr Jakubik (items 16, 19), Daniel Perez (items 17, 18), Casper Christophersen (item 17), Luisa Mazzotta (item 18), Sandra Hack (items 19, 20), Philip Kitzmantel (items 22, 23), Marjan Trobina (items 22, 23), Jan Rauland (item 22)

Welcome and introductory remarks by the EIOPA Chairman

Information

Remarks:

The Chairman welcomed the attendees to the fourth meeting of EIOPA's Board of Supervisors (BoS) in 2019.

1. Adoption of the Agenda

Decision by SMV¹

Conclusions: <ul style="list-style-type: none"> BoS agenda item 12 on 'Consultation paper on amendments to the PRIIPs KID' had originally been planned for Decision. However, given latest developments, it would be presented in the meeting for Discussion. With that change, BoS adopted, by simple majority voting, the agenda. Action points: Not applicable		
2.	Update by Chairman, Executive Director and COM	Information
Conclusions: <ul style="list-style-type: none"> Not applicable Action points: <ul style="list-style-type: none"> Not applicable 		
3.	Election of the SSC Chair	Decision by SMV¹
Conclusions: <ul style="list-style-type: none"> BoS elected, by simple majority voting, Olaf Sleijpen as Chair of SSC. The Mandate starts the day after the BoS meeting and will run until the end of the term of the former Chair – 7 April 2020. Action points: <ul style="list-style-type: none"> Not applicable 		
4.	Replacement of two IRSG Members	Decision by SMV¹
Conclusions: <ul style="list-style-type: none"> BoS adopted, by simple majority voting, the proposed candidates for the replacement of two Insurance and Reinsurance Stakeholder Group (IRSG) members belonging to the category of 'industry' and to the category of 'consumers' (EIOPA-BoS-19-420, 9 September 2019). Action points: <ul style="list-style-type: none"> EIOPA to contact the candidates and proceed with replacement of the two IRSG Members on the basis of the adopted candidates list. 		
5.	EIOPA's Strategic approach towards the implementation of the ESA's review	Discussion
Conclusions:		

- BoS agreed to the implementation approach, as presented at the meeting subject to the following understanding and clarifications:
 - the Proportionality Advisory Committee (PAC) to include external participation from EIOPA's stakeholder groups by involving their chairs and vice-chairs. The PAC to be open for chairmanship also by national competent authorities (NCA);
 - EIOPA's vice-chairperson functionality is reverted in line with the co-legislators' lawyer-linguist revision, which ensures legal certainty for the relevant aspects of EIOPA's implementation approach;
 - the conflict of interest implementation approach is without prejudice to the right to be heard of the addressee of EIOPA's individual measures;
 - the involvement of the BoS in the process for issuing EIOPA agreement to certain decisions of the European Banking Authority (EBA) on anti-money laundering and countering financing of terrorism (AML/CFT).
- BoS agreed to the EIOPA approach to anonymising the comprehensive and meaningful records of its meetings for submission to the European Parliament (EP) and the Council;
- BoS took note of EIOPA's intention to ensure that publications by MB concerning meetings, hospitality and expenses will relate only to those instances when the Members act in the capacity as members of MB.

Action points:

- EIOPA to continue coordinating with the European Securities and Markets Authority (ESMA) and EBA to ensure consistent implementation approach on common issues.
- EIOPA to revise the governance-related rules of procedure subject to the abovementioned BoS conclusions and to consider the points made by the European Commission (COM) on the composition of independent panels and the conflict of interest for BoS.
- EIOPA to ensure that the operationalisation of the new Peer Review framework will allow for proper discussion and steer.
- EIOPA to initiate a project to find ways to alleviate the burden of the NCAs resulting from EIOPA's additional work. The Quality Control Committee (QCC) to take the first step to launch this initiative through involving NCAs in the current QCC work on EIOPA's Working Group Structure. NCAs to indicate their interest to participate (mainly through interviews) by nominating a contact person by 4 October 2019.
- Following revision of the governance-related rules of procedure, EIOPA to circulate them to BoS for comments via a written procedure in October and to ensure sound interaction with interested BoS members before submitting these rules of procedure to BoS for adoption in November.

6. Updated Single Programming Document 2019- Decision by SMV¹ 2021

Conclusions:

- BoS adopted, by simple majority voting, the 'Updated Single Programming

Document 2019-2021' (EIOPA-BoS-19- 415, 24 September 2019).

Action points:

- EIOPA to implement an amendment to the text related to the European Court of Auditors (ECA) performance audit of 2018.

7. Draft Single Programming Document 2020-2022 Decision by SMV¹

Conclusions:

- BoS adopted, by simple majority voting, the 'Single Programming Document 2020-2022' (EIOPA-BoS-19416, 24 September 2019).
- The increase in EIOPA's resources is based on the agreement of COM and co-legislators' assessment of the financial and budgetary consequences in view of EIOPA's new tasks and powers.
- The tasks and resources may be subject to change depending on developments in a number of areas of uncertainty, including Brexit.
- A staggered approach to the increase of resources suggested in the Legislative Financial Statement (LFS) will take place in 2019-2021.

Action points:

- EIOPA to send to the EU Institutions the adopted Single Programming Document 2020-2022.

8. Update by the PSC Chair Information

Conclusions:

- BoS noted the update by the Chair of the Policy Steering Committee (PSC).

Action points:

- Not applicable

9. Solvency II 2020 review: Consultation paper on Opinion Decision by SMV¹

Conclusions:

- BoS decided that for the next Opinion stage, work should find a balanced approach across different review items.
- In terms of the length of the consultation paper, BoS approved the proposed measures to shorten the document and for further steps in this regard.
- BoS approved the proposed timeline, including information requests. The BoS decided scheduling a discussion at its November meeting to progress towards a final package.
- BoS advised EIOPA that it should consider to base at least parts of the information request on the holistic impact on data from end-2019 instead of

end-2018.

Action points:

- EIOPA to reflect the changes discussed in the consultation paper. EIOPA to launch the consultation paper by mid-October running until mid-December 2019.
- EIOPA to develop an overall balance across different review items

10. Sustainable finance: Opinion on sustainability and Solvency II

Decision by SMV¹

Conclusions:

- BoS adopted, by simple majority voting, the Opinion on Sustainability within Solvency II (EIOPA-BoS-19-241, 9 September 2019).
- BoS agreed that the Sustainable Finance Project Group should work on climate change-related scenarios.
- BoS approved the responses to points made by stakeholders during the public consultation.

Action points:

- EIOPA to publish and submit the Opinion to the COM.
- The Sustainable Finance project group to work on the climate change-related scenarios.
- EIOPA to publish the responses to stakeholders in a Final Report.

11. Update by the CCPFI Chair

Information

Conclusions:

- BoS noted the update by the Chair of the Committee on Consumer Protection and financial Innovation (CCPFI).

Action points:

- Not applicable

12. Consultation paper on amendments to the PRIIPs KID

**Decision by SMV[±]
Discussion**

Conclusions:

- BoS supported the draft Consultation Paper on amendments to the Packaged Retail and Insurance-based Investment Products (PRIIPs) Key Information Document (KID).
- BoS welcomed the inclusion of a simplified approach for performance scenarios in the consultation paper, and expressed a preference for simple or pragmatic solutions whenever possible.

- BoS overall supported the proposals for multi-option products (MOPs), but the impacts on products in specific markets should be further analysed before finalising the amendments in Q1 2020.

Action points:

- EIOPA to introduce a clarification in the Section on MOPs that the aim of the proposals is not to limit the number of investment options offered.
- Draft Consultation Paper to be discussed also in EBA and ESMA's BoS and then be submitted simultaneously to the three European Supervisory Authorities (ESAs) BoSs for adoption by written procedure.

13. Supervisory response to the findings in the Decision by SMV¹ Thematic Review on Travel Insurance

Conclusions:

- BoS adopted by simple majority voting the Supervisory response to the findings in the Thematic Review on Travel Insurance, (EIOPA-BoS-19-385, 24 September 2019).
- BoS encouraged EIOPA to work with the NCAs on the supervisory actions plan following the publication.

Action points:

- CCPFI to coordinate and share information on the implementation of the supervisory response.
- EIOPA to publish the Thematic Review together with the supervisory response to the findings in the Review.
- EIOPA to inform the BoS about the publication of the package.
- EIOPA to coordinate the joint work with the NCAs under the CCPFI on the supervisory actions plan following the publication of the supervisory response.
- EIOPA to report back to the BoS on the implementation of the supervisory response.

14. Brexit Update

Discussion

Conclusions:

- BoS agreed to address any issues of non-preparedness for a no-deal scenario with the undertakings concerned at national level on case-by-case basis. There is no need for a public communication to the industry at national or EU level.
- BoS supported the launch a sixth information requests and mandates the Brexit cooperation platform to take stock of the residual business at the Brexit date.

Action points:

- The Brexit cooperation platform to carry out the sixth information request providing detailed information of the residual business volume at undertaking and country level at the Brexit date.
- In the meantime, the Brexit cooperation platform to support members by providing

similar detailed information upon request.

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

- BoS noted the update by the Chair of the Risk and Financial Stability Committee (RFSC).
- BoS noted the importance of the work of the project group on Methodological principles of insurance stress testing, and the need to devote sufficient resources which is crucial for the 2021 stress test.

Action points:

- EIOPA to launch call for additional candidates for the insurance stress test methodology work.
- NCAs to devote highly qualified experts (could be different experts for different topics) on the topics that needs to be developed and included in the next stress test exercise (e.g. climate and liquidity stress test).

17. Insurance sector Climate-related transition risks: Road map to 2020 sensitivity analysis	Decision by SMV¹
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Conclusions:

- BoS adopted, by simple majority voting, the document 'Insurance sector climate-related transition risks: Road map to 2020 sensitivity analysis' (EIOPA-BoS-19- 391, 19 August 2019).

Action points:

- EIOPA to proceed in line with the roadmap and launch a call for candidates.

18. Update on investigation short termism pressures from financial markets on corporates	Information
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Conclusions:

- BoS welcomed the update and the proposed way forward, including the cooperation with the Sustainable finance project group.

Action points:

- EIOPA to proceed according to the proposed timeline, including the launch of a written process at the BoS of a high-level analysis to be used for informal discussions with COM in October 2019.

19. 2019 IORP Stress Test: Update	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS noted the progress made in the process of the stress test. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to address the insufficient coverage and shortcomings in the national application in a formal response. 	
20. Pan-European Personal Pension Product: Update	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS agreed to develop simplified, transparent and relevant solutions for the Pan-European Personal Pensions (PEPP) Regulation's technical standards and to further proceed on the outlined, preliminary stances. <p>Action points:</p> <ul style="list-style-type: none"> EIOPA to bring to the November 2019 BoS meeting a discussion/consultation paper, where necessary, outlining different approaches and options to approach the individual deliverables within the mandate provided by the PEPP Regulation. BoS to consider providing further resources to the PSC Project Group (PG) on PEPP. 	
21. Update by the SSC Chair	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS noted the update by the Chair of the Supervisory Steering Committee (SSC). <p>Action points:</p> <ul style="list-style-type: none"> Not Applicable 	
22. Update by the ITDC Chair	Information
<p>Conclusions:</p> <ul style="list-style-type: none"> BoS noted the update by the Chair on IT and Data Developments based on the August Report (EIOPA-BoS-19-411). <p>Action points:</p> <ul style="list-style-type: none"> Members who have not yet signed up for e-mail encryption ('enforced TLS') are strongly encouraged to do so. Please contact security@eiopa.europa.eu for further information. 	
23. Data & IT Implementation Plan	Information

Conclusions: <ul style="list-style-type: none"> BoS noted the update by EIOPA on Data & IT Implementation Plan. Action points: <ul style="list-style-type: none"> Not applicable 		
24.	AOB	Information
Conclusions: <ul style="list-style-type: none"> The messages of the EIOPA comment letter to the International Accounting Standards Board (IASB) on its proposed amendments to International Financial Reporting Standards (IFRS) 17 Insurance Contracts have been confirmed. BoS noted that the Deputy Director General and Executive Director of Banking, Martin Noréus, has resigned from his post at the Finansinspektionen (Sweden), and that he has been temporarily replaced by Karin Lundberg. BoS noted that EIOPA has scheduled its annual conference on 19 November 2019, and that there will be three key panel discussions: a CEO panel on the future of the insurance industry; sustainable finance and climate change; and Solvency II 2020 review. BoS noted that its November meeting will be convened with the IRSG and OPSG. Action points: <ul style="list-style-type: none"> EIOPA to submit its comment letter to the IASB and EFRAG. 		

¹: Decision by simple majority (Article 44(1) 1st para. EIOPA Regulation)

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