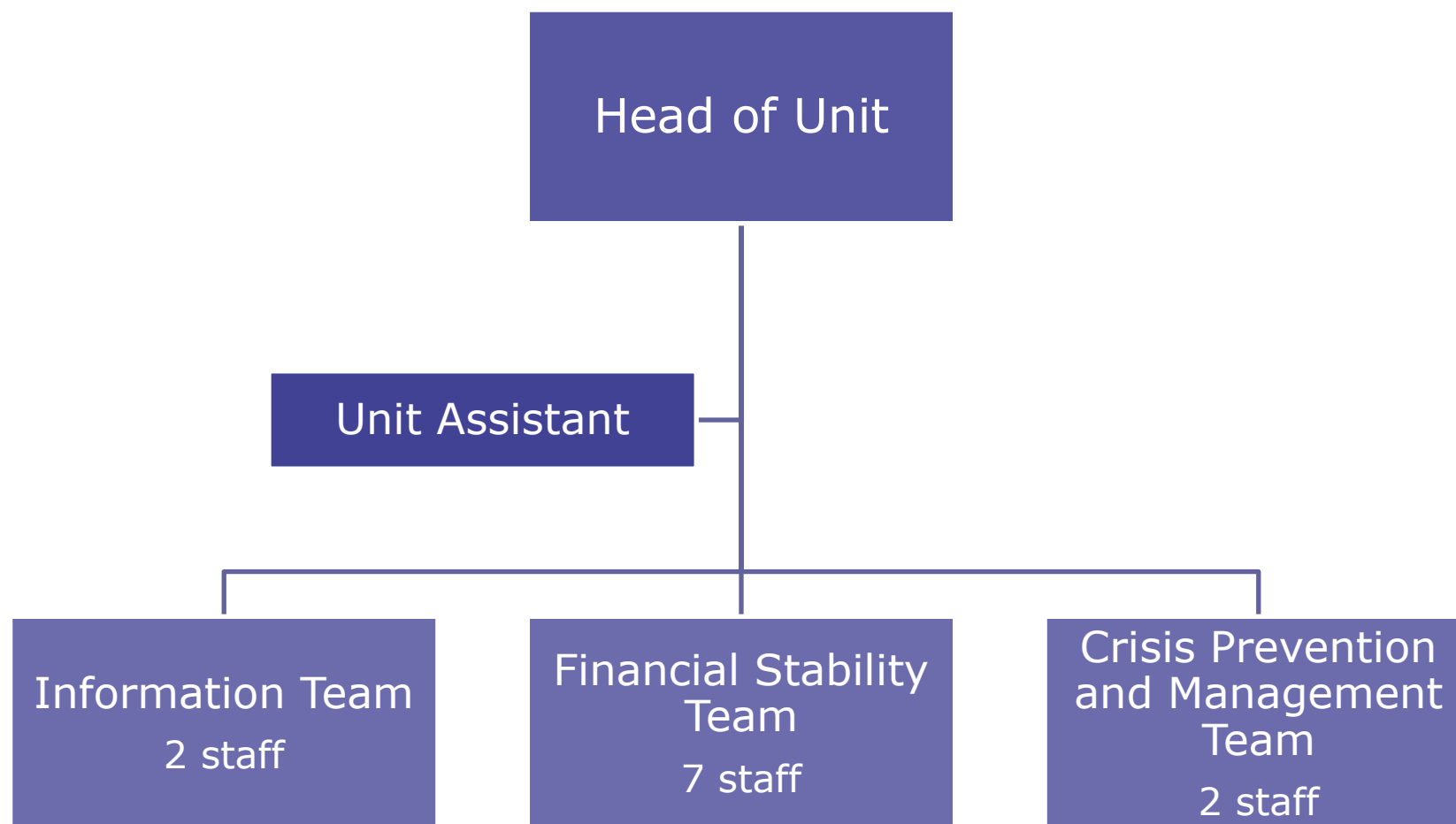




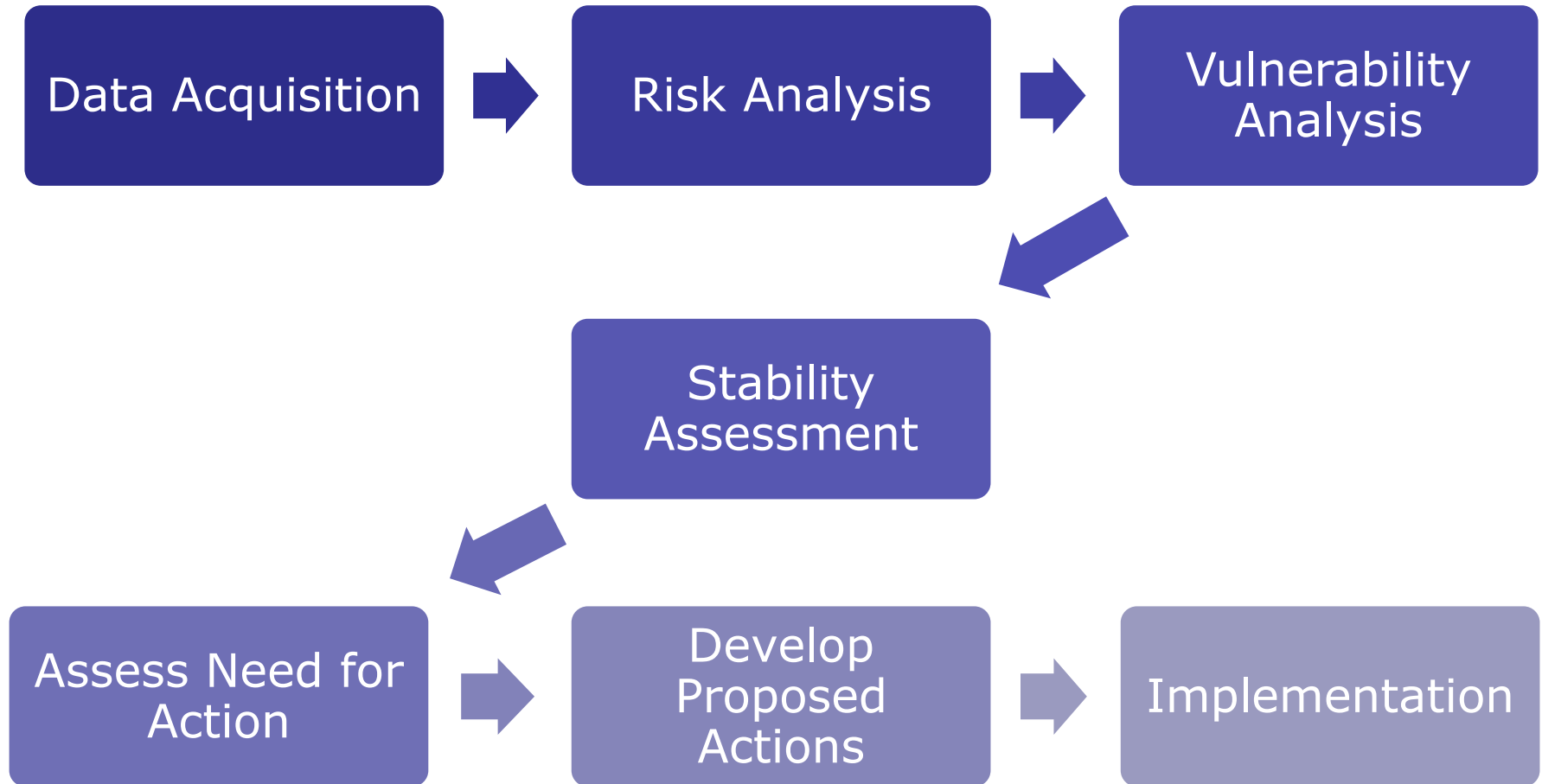
eiopa
EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

Financial Stability and Information Unit

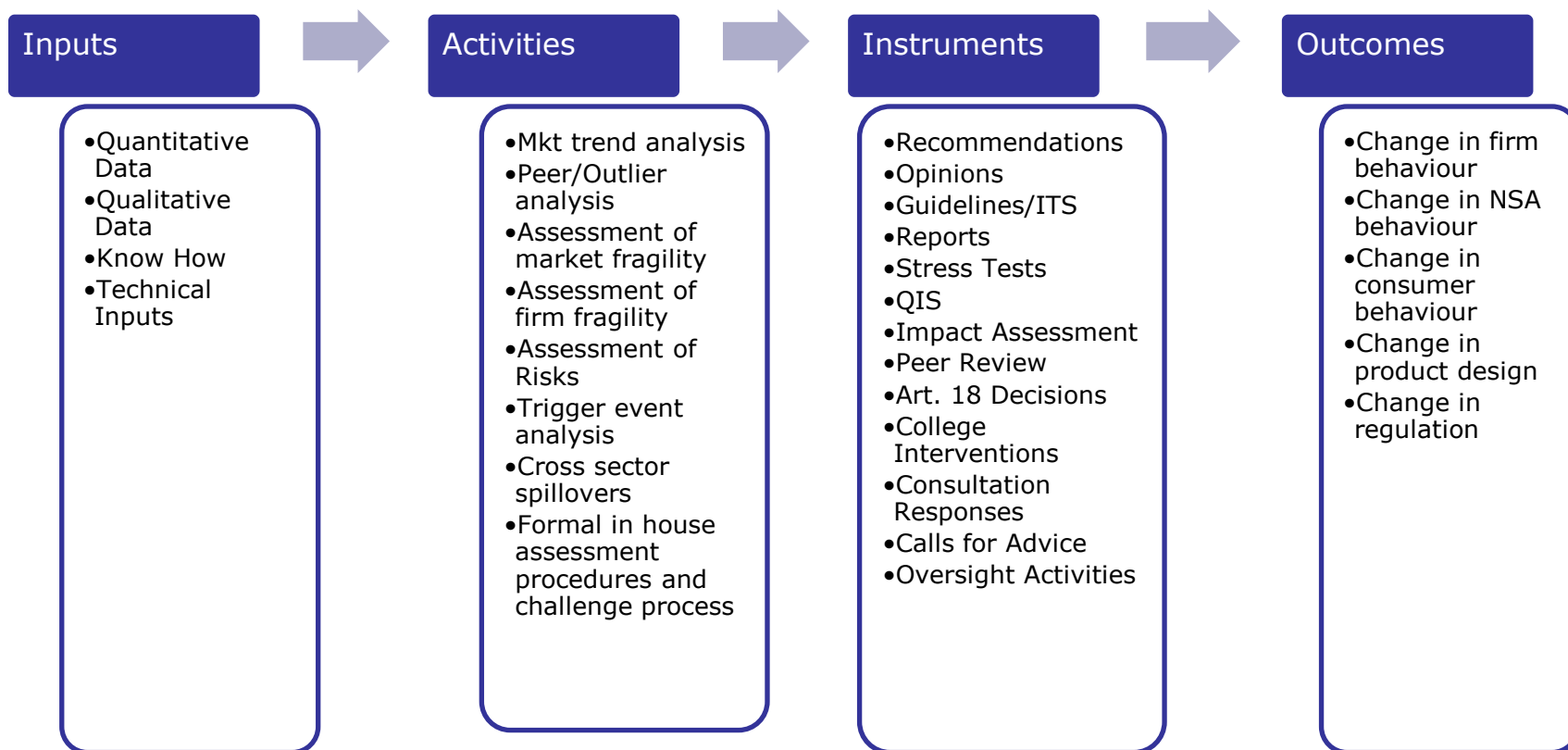
26 November 2013



Activity Sequence



How do we do it?



Stakeholders and outputs



Stakeholders	Outputs
Public	Action on risks, aggregate view of market performance; info on risks and trends, action on risks
Industry	Action on risks, aggregate view of market performance, stress testing, benchmarking; info on risks and trends
NSAs	Aggregate view of market performance; benchmarking; analytical standards; info on risks and trends (to trigger action)
EIOPA – Mgmt	Info on risks and trends (to trigger action)
EIOPA – Policy team	Support on systemic risk topics (e.g. CCP, EQ adj), impact assessment, quantitative studies
EIOPA – Consumer protection	Support of analysis where needed
EIOPA – Press	Aggregate view of market performance; info on risks and trends in form of FS reports and articles
ECB	Aggregate view of market performance; analytical standards; info on risks and trends
ESRB	Input into identification of SIFIs; joint stress testing approaches
EC & Parliament (ECFin)	Reporting and accountability
IAIS	Input into identification of SIFIs; macro-prudential views
ESA's & JC	Fin. Conglomerate FS assessment; joint stress testing approaches, cross-sectoral coordination
...	

What have we actually done?



- Ongoing – Financial Stability Report, Risk Dashboard
- 2011 – Stress Test
- 2011 – Coordination of NSA activities:
 - Collection of data on exposures to Sovereigns/Banks
 - Supervisory response in terms of information sharing on measures taken
- 2011 – Emergency Plan test for Colleges
- 2012 – Detailed Input to COM Consultation on Recovery and Resolution
- 2012 – Opinion on Low Interest Rates
- 2013 – Studies on Liquidity Swaps and Search for Yield
- 2013 – Detailed Input to FSB Consultation on Recovery and Resolution
- 2013 – Finalisation of EIOPA's Crisis Management Framework

Workplan 2014 (1)

6.1 Market Developments				
Collection of insurance and occupational pension related data; market data and qualitative and quantitative information required from NSAs	H	2.75 FTE	Promote financial stability by more extensive analysis of trends, outliers etc.	EIOPA Regulation, Art. 32(1)
Monitoring and financial stability analysis of Top 30 firms	H	1 FTE	Promote financial stability by more extensive analysis of trends, outliers etc.	EIOPA Regulation, Art. 22(1) Art 23(1), Art. 32(1)
Research on identified risk themes, systemic risk and interconnectedness	M	2 FTE	To understand systemic risk and threats to financial stability in order to support appropriate supervisory action.	EIOPA Regulation, Art. 22(1) Art 23(1), Art. 32(1)
Development of analytical tools for use on Solvency II data	M	0.75 FTE	Promote financial stability by more extensive analysis of trends, outliers etc.	EIOPA Regulation, Art. 22(1) Art 23(1), Art. 32(1)
Quarterly production of Risk Dashboard	H	0.25 FTE	To understand systemic risk and threats to financial stability in order to support appropriate supervisory action.	EIOPA Regulation, Art. 22(1) Art 23(1), Art. 32(1)
Bi-annual production of Financial Stability Report	H	0.50 FTE	To assess and report on the stability of the European insurance and occupational pensions sectors.	EIOPA Regulation, Art. 22(1) Art 23(1), Art. 32(1)
Development of financial stability analysis tools for use on existing and future databases	H	1 FTE	To understand systemic risk and threats to financial stability in order to support appropriate supervisory action.	EIOPA Regulation, Art. 22(1) Art 23(1), Art. 32(1)
Further development and refinement of the Risk Dashboard	M	0.25 FTE	To understand systemic risk and threats to financial stability in order to support appropriate supervisory action.	EIOPA Regulation, Art. 22(1) Art 23(1), Art. 32(1)
Report to the European Parliament, European Council, and European Commission on micro prudential trends, risk and vulnerabilities.	H	0.10 FTE	Promote financial stability by publication of data, trends and analysis.	EIOPA Regulation Art. 32(1)
Visit at least 10 NSAs to build better mutual understanding of risks and make appropriate recommendations	M	0.25 FTE	To exchange views on national specificities and enhance supervisory convergence.	EIOPA Regulation, Art. 22(1), 22(4), Art 23(1), Art. 32(1)

6.2 Stress Test				
Develop existing stress test techniques and explore the development of new tool – validation, top down, reverse tests	H	1.50 FTE	To improve the quality of the existing stress tests and extend the range of techniques available to test the resilience of the European insurance sector.	EIOPA Regulation, Art. 23(1), Art. 32(2)
Carry out full Insurance stress test	H	1.50 FTE	To assess the resilience of the European insurance sector.	EIOPA Regulation, Art. 23(1), Art. 32(2)
Occupational pensions stress test – Expected to be carried out	M	0.50 FTE	To assess the resilience of the European occupational pensions sector.	EIOPA Regulation, Art. 23(1), Art. 32(2)
6.3 EIOPA and the ESRB				
Support senior management in ESRB General Board	H	0.50 FTE	To influence and support EU policy decisions on systemic risk	EIOPA Regulation Art. 8(1) (d), Art. 36(1)
Participate in ESRB Advisory Technical Committee and substructures	M	1.50 FTE	To contribute to analysis of systemic risks, assessment of potential impacts and development macro prudential policy relevant for the insurance and occupational pensions sectors.	EIOPA Regulation Art. 8(1) (d), Art. 36(1)
Exchange data in accordance with the EIOPA Regulation	L	0.25 FTE	To support EU analysis of, and policy decisions on, systemic risk	EIOPA Regulation Art. 8(1) (d), Art. 36(2)
Support work on financial stability and macro prudential surveillance in international fora	M	0.25 FTE	To influence and support EU policy decisions on systemic risk	EIOPA Regulation Art. 8(1) (d), Art. 36(1)
6.4 Emergency Situations				
Review risk of emergency situation on a regular basis	H	0.50 FTE	To assess the stability of the European insurance and occupational pensions sectors in order to coordinate pre-emptive supervisory action.	EIOPA Regulation Art. 18

Workplan 2014 (3)

7. Crisis Prevention, Management and Resolution				
Operation and testing of comprehensive crisis prevention and management framework	H	0.40 FTE	To maintain a comprehensive and consistent approach to crisis prevention, management and resolution.	EIOPA Regulation Art. 8, 18, 21, 25, 27 and 31
Contribution to a common supervisory culture through seminars and technical assistance	L	0.50 FTE	To promote best practices and to support the development of supervisory consistency and a common supervisory culture.	EIOPA Regulation, Art. 25 and 29
Identification of emerging risks that would benefit from coordinated examination and possible action by EEA supervisory authorities: - Regular reporting to the BoS - Facilitation, hosting and supporting, as needed, meetings of EEA supervisory authorities where these risks are emerging	H	0.70 FTE	To take early action to identify the emergence of a crisis situation and to facilitate preventive action on the part of the EEA supervisory community. To promote consistent and coordinated supervisory action.	EIOPA Regulation, Art. 18, 23, 24 and 31
Regular assessment of whether "adverse developments" are emerging	H	0.20 FTE	To take early action to identify the emergence of a crisis situation and to facilitate preventive action on the part of the EEA supervisory community. To promote consistent and coordinated supervisory action.	EIOPA Regulation, Art. 18, 23, 24 and 31
Regular assessment of the risk of an emergency situation emerging	H	0.20 FTE	To take early action to identify the emergence of a crisis situation and to facilitate preventive action on the part of the EEA supervisory community. To promote consistent and coordinated supervisory action.	EIOPA Regulation, Art. 18, 23, 24 and 31
Preparation of proposals for supervisory action to deal with emerging risks	H	0.20 FTE	To take early action to identify the emergence of a crisis situation and to facilitate preventive action on the part of the EEA supervisory community. To promote consistent and coordinated supervisory action.	EIOPA Regulation, Art. 18, 23, 24 and 31
Preparation of EIOPA Recommendations and/or Opinions on dealing with emerging risks – as needed	H	0.20 FTE	To take early action to identify the emergence of a crisis situation and to facilitate preventive action on the part of the EEA supervisory community. To promote consistent and coordinated supervisory action.	EIOPA Regulation, Art. 18, 23, 24 and 31
Contribution to development of EU policy on recovery and resolution	M	Dependent on EU policy development programme	To develop a consistent and harmonised framework for resolution	EIOPA Regulation, Art. 25

- Data Access
- Building Tools and Indicators
- Stress Testing – Scenarios/Validation
- Systemic Significance of (Re)Insurance – GSII?
- G-SII – Designation, measures
- Search for Yield
- Insurance – Credit Intermediation, Investment Pool
- Impact of SII
- Interconnectedness and Shadow Banking
- Resolution and Recovery – Application to Insurance