



**eiopa**  
EUROPEAN INSURANCE  
AND OCCUPATIONAL PENSIONS AUTHORITY

# European Insurance and Occupational Pensions Authority Introduction

EIOPA – Insurance and Reinsurance Stakeholder Group  
Frankfurt, 24 March 2011

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- Financial crisis in **2007 and 2008** prompted a review of supervisory model
- **November 2008**: European Commission mandated a High Level Group, the Committee of Wise Men, chaired by Jacques de Larosière to make recommendations on how to strengthen European supervisory arrangements
- **February 2009**: De Larosière Report published:
  - Committee of Wise Men recommends reforms to the structure of supervision of the financial sector in the European Union
  - Committee also concluded that a European System of Financial Supervisors should be created and recommended the creation of a European Systemic Risk Council
- **March & May 2009**: European Commission proposed to put forward draft legislation and details about its possible architecture.

- **19 June 2009:** European Council confirmed that a European System of Financial Supervision (ESFS) should be established.
- **22 September 2010:** European Parliament approved legislation allowing establishment of European Supervisory Authorities (ESAs)
- **16 December 2010:** EIOPA Regulation enters into force
- **1 January 2011:** EIOPA established
- **10 January 2011:** first meeting of the Board of Supervisors formalizes EIOPA's establishment. Election of the Management Board and acting Chair validates the establishment of EIOPA
- **1 March 2011:** Chairman takes office
- **March 2011:** Expected EP confirmation of Executive Director

- Better protecting consumers, rebuilding trust in the financial system
- Establishing a European single rule book
- Greater harmonisation and coherent application of rules
- Ensuring a high, effective and consistent level of regulation and supervision
- Foster supervisory convergence across the EU
- Promote coordinated EU supervisory response
- Strengthening oversight of cross-border groups

# Main Responsibilities



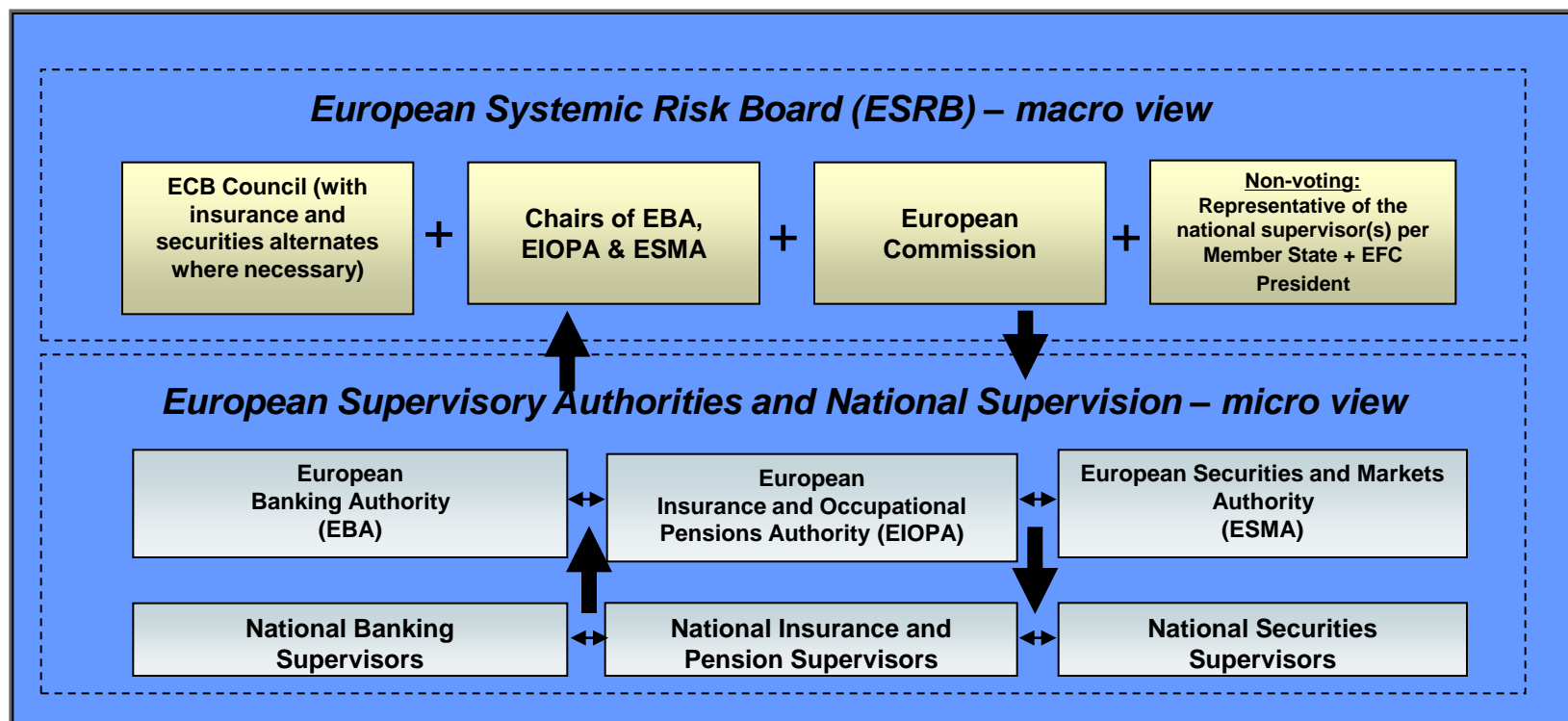
- Protection of policyholders, pension scheme members and beneficiaries
- Support financial stability, transparency of markets and financial products
- Monitor and identify trends, potential risks
- Independent advisory body to the EU institutions in the area of insurance, reinsurance and occupational pensions
- Prevent regulatory arbitrage, guarantee level playing field, strengthen international supervisory coordination
- Foster dialogue and cooperation with supervisors outside the EU and international organisations

- Legal personality as well as administrative and financial autonomy
- Autonomous budget with revenues mainly from obligatory contributions from national supervisory authorities and EU's General Budget
- All CEIOPS existing tasks and competences including the continuation of ongoing work and projects
- Accountable to the European Parliament and the Council of the European Union

- Develop draft regulatory and implementing technical standards
- Issue guidelines and recommendations on the application of EU law to ensure consistent application of EU law
- In certain cases, require national supervisory authorities to take specific actions to remedy an emergency situation
- Settle disagreements in cross-border situations between authorities, including within colleges of supervisors
- Participate in colleges of supervisors

## An Overview

### European System of Financial Supervision





- **Management**

- o Board of Supervisors: principal decision making organ, composed of:
  - Chairperson (non-voting)
  - relevant competent authority in each Member State
  - representative of the European Commission, ESRB, EBA and ESMA to participate as observers (non-voting)
- o Management Board ensures that EIOPA carries out its mission and performs the tasks assigned to it. Composed of:
  - Chairperson of EIOPA
  - Six representatives of national supervisory authorities
  - representative of the European Commission
- o Chairperson
  - full-time Chairperson, appointed by the Board of Supervisors and confirmed by the European Parliament within one month after selection by the Board of Supervisors
- o Executive Director
  - management of EIOPA

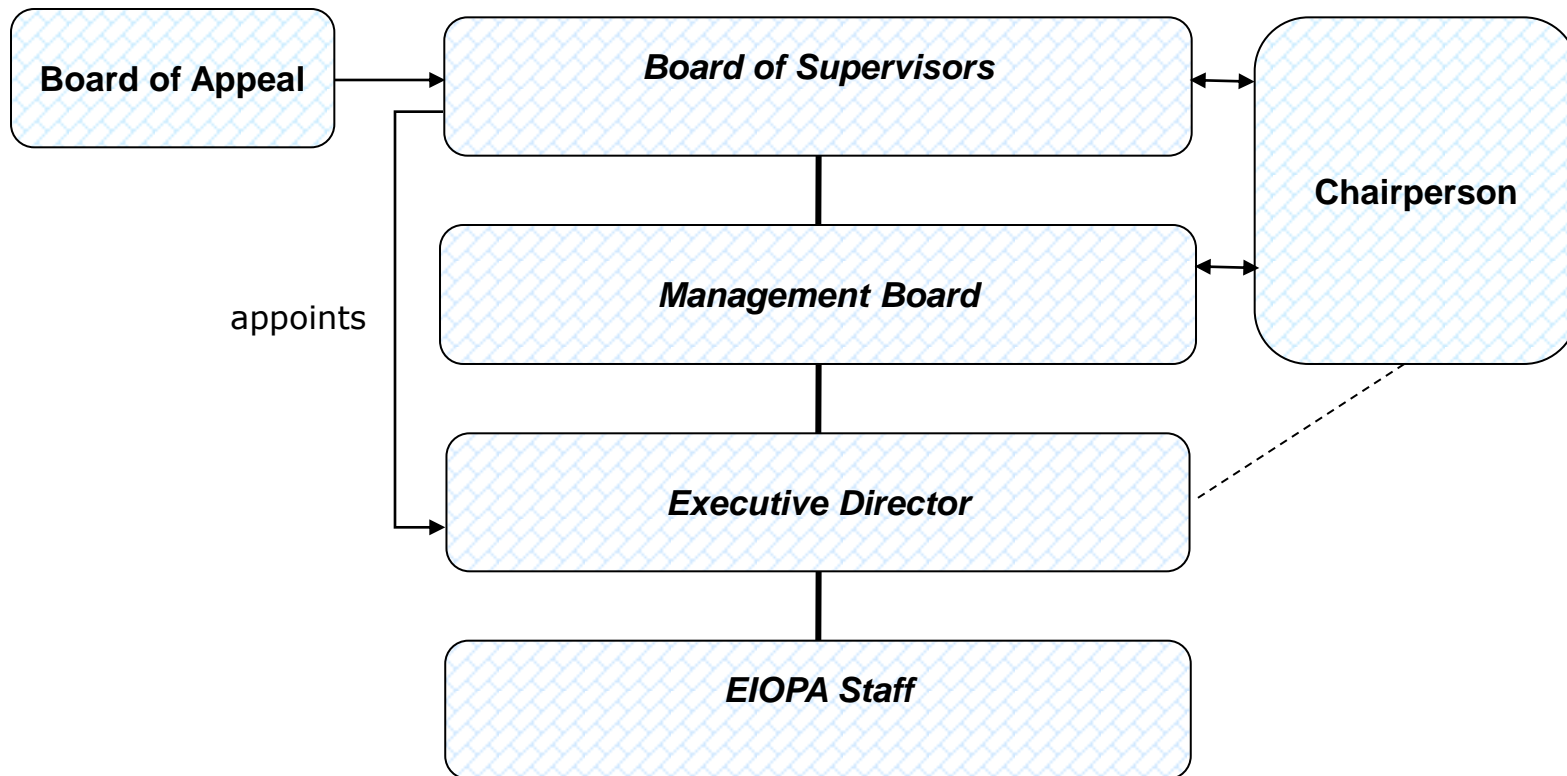
- **Joint Committee of European Supervisory Authorities**

- coordinates activities of the European Supervisory Agencies (ESAs) and coordinates functions in relation to financial conglomerates and other cross-sectoral issues

- **Board of Appeal**

Gives parties right to appeal decisions of ESAs. Joint body of ESAs, independent from their administrative and regulatory structures. Composed of six members and six alternates

## A Simplified Example



- By 1 April 2011, 37 headcount up from 16 in 2009
- 19 nationalities - 28 temporary agents, 3 contract agents and 6 secondees (national contract),
- Target headcount 40-50 in 2011, and roughly 100-120 by 2013/2014
- Experts on drafting technical standards, with supervisory background for colleges, supporting staff

- Colleges of supervisors
- Expert groups and committees
- Insurance/reinsurance and occupational pensions stakeholder groups
- Peer Reviews
- Impact Assessment
- Stress Testing
- Committee of financial innovation
- Consultation
- Sectoral and cross-sectoral training programmes

The European System of Financial Supervision (ESFS) is an integrated network of national and European supervisory authorities:

- o EIOPA and national supervisory authorities are independent from each other with clearly confined responsibilities
- o EIOPA is governed by its Board of Supervisors, which integrates national authorities
- o The EU's national supervisory authorities are a source of expertise and information
- o Best practice: close cooperation between EIOPA and national supervisors
- o National supervisors will continue to provide day-to-day supervision
- o National supervisors keep direct link to industry; involved in coordination of activities such as QIS5, stress testing
- o Etc.



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**Thank you**

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