

EIOPA-IRSG-12-12

June 2012

IRSG Subgroup on Long Term Guarantee Mandate

I. Background

Following the March 14, 2012 meeting at Frankfurt, the IRSG decided to launch a specific sub-group to give consideration to Long Term Guarantees. There was subsequent discussion on the mandate of this group at the IRSG meeting on 24 May, 2012.

The importance of the provision of Long Term Guarantee products within Europe for consumers has been recognised in a respect of a number of the topics within EIOPA's remit. The Stakeholder Group consider a greater awareness and understanding of the nature of such provisions across the respective European jurisdictions (including the underlying socio/economic rationale) would facilitate a more informed discussion of the impact of regulatory developments on such products. This issue has also been raised in previous discussions within the context of the Solvency II developments. EIOPA will also be performing specific work in late 2012/2013 on the impact of Solvency II in product development.

Accordingly the sub-group will provide support to the IRSG by collating information on the extant nature of long term guarantees across Europe, identify developments which may impact such products and provide input to the EIOPA work on this issue. It is noted that there is no specific consultation on which a response is sought focus at present.

This sub-group is organised in respect of the Article 10 of the Rules of Procedures.

II. Tasks of the IRSG Long Term Guarantee Working Group

- To develop an understanding of the current nature of long term guarantees across the respective European jurisdictions including the underlying socio/economic/political rationale across markets which give rise to such products.
- To identify those areas within EIOPAs remit which would impact long term guarantees
- To provide relevant feedback on the EIOPA planned work analysing the impact of Solvency II on product development
- Any other tasks decided upon by IRSG

III. Expiration of mandate

The working group will continue until EIOPA have completed their work on the impact of Solvency II on products as scheduled in the 2013 draft EIOPA work plan and latest by mid-2013, when the IRSG mandate expires.

IV. Organisation of work

The work is organized through conference calls with the members of the working group and one or two representatives of EIOPA for organisational/technical support.

The working Group leader sends documents at least one half-day before the conference call gathering the working Group members comments.

V. Working group lead

- Lead: Hugh Francis;

VI. Members

- Members: Oliver Bäte, Yanick Bonnet, Hugh Francis and Jean Christophe Menioux (industry representatives); Lars Gatschke and Marcin Kawiński (Consumer representatives); Thomas Behar, Seamus Creedon and Christianne Verhaegen (Users of insurance and reinsurance services); Rym Ayadi and Helmut Johannes Gründl (academics representatives).

VII. Deliverables

- A summary of the extant nature of long term products across European jurisdictions. Initial feedback to be presented during the IRGS meeting on 18 October.