



EIOPA REGULAR USE

EIOPA-MB-19/085

EIOPA Management Board

Frankfurt, 6 June 2019

Final Minutes

Members:

Gabriel Bernardino (Chairman), Frank Grund, Jean Hilgers, Olaf Sleijpen, Patrick Montagner, Sergio Alvarez, Jiri Kalivoda (alternate for Zuzana Silberova)

Observers:

Peter Braumueller (Alternate Chair), Steve Ryan (COM)

EIOPA Staff (for relevant topics):

Fausto Parente (Executive Director), Susanne Rosenbaum, Ineta Galubicke, Catherine Coucke, Danny Janssen (items 3, 4), Mette Sicard Filtenborg (item 5), Kai Kosik (item 5), Florian Ouillades (item 5), Manuela Zweimueller (items 6.1.1, 6.2), Justin Wray (6.1.1, 6.2), Lars Dieckhoff (items 6.1.1, 6.1.2), Ana Teresa Moutinho (item 6.1.2), Dessislava Doncheva (item 6.1.2), Louis De Louvencourt (item 6.1.2), Lazhare Bouldi (item 6.2), Jesus Cisneros (item 6.2), Dimitris Zafeiris (item 6.3), Juan Zschiesche (item 6.3), Yildiz Ekinci (item 6.3), Petr Jakubik (item 6.4), Matteo Sottocornola (item 6.4), David Cowan (item 6.5), Pascal Pfefferle (item 6.5), Timothy Shakesby (items 6.6, 6.7), Irina Popa (item 6.6), Pedro Pires (item 6.6), Costanza Russo (item 6.7)

The Chairman welcomed attendants to the third meeting of EIOPA's Management Board (MB) in 2019.

The Chairman ascertained that the meeting was duly called and that the requested quorum for taking decisions was reached.

1. Adoption of the Agenda

Type: Decision

Voting results: Agreed

Conclusions: The MB adopted the agenda with no change.

Action points: Not applicable

Written procedure: Not applicable

2. Update

Type: Information

Voting results: Not applicable

Conclusions: Not applicable

Action points: Not applicable

Written Procedure: Not applicable

3. EIOPA Financial Rules

3.1. New EIOPA Financial Regulation

3.2. New EIOPA Financial Circuits

3.1. New EIOPA Financial Regulation

Type: Decision

Voting results: MB adopted the 'Financial Regulation of the European Insurance and Occupational Pensions Authority' (EIOPA-MB-19-057, 6 June 2019).

Conclusions:

- Financial Regulation of the European Insurance and Occupational Pensions Authority' (EIOPA-MB-19-057, 6 June 2019) to be amended (if applicable-derogation (-s) granted)) after the receipt of the answer from the Directorate General for Budget (DG BUDG).

Action points:

- Not applicable

Written Procedure: EIOPA to launch a written procedure (if applicable-derogation(-s) granted)) for amending the 'Financial Regulation of the European Insurance and Occupational Pensions Authority' (EIOPA-MB-19-057, 6 June 2019) after the receipt of the information from DG BUDG regarding the requested derogations regarding the article 90 of the Financial Regulation.

3.2. New EIOPA Financial Circuits

Type: Decision

Voting results: MB adopted the 'EIOPA Financial Circuits' (EIOPA-MB-19-058, 6 June 2019).

Conclusions: Not applicable

Action points:

- EIOPA to appoint and/or confirm the relevant financial actors according to the 'EIOPA Financial Circuits' (EIOPA-MB-19-058, 6 June 2019).

Written Procedure: Not applicable

4. Final EIOPA Annual Accounts 2018

Type: Decision

Voting results: MB adopted the 'Final EIOPA Annual Accounts 2018' (EIOPA-MB-19-063, 27 May 2019) subject to the results of the European Court of Auditors (ECA) review of the audit files established by EIOPA's external auditor.

Conclusions:

- Not applicable

Action points:

- EIOPA Accounting Officer to send the accounts and the relevant MB opinion, once delivered, to the Board of Supervisors (BoS), ECA, external auditor, the European Commission (COM), the European Parliament (EP) and the Council by 1 July 2019.

Written Procedure: EIOPA Accounting Officer to launch a written procedure for MB to deliver an opinion on revised EIOPA Final Annual Accounts in case the ECA review of the external auditor's work results in amendments to the final Annual Accounts.

5. Replacement of two IRSG and one OPSG member(s)

Type: Decision

Voting results: Not applicable.

Conclusions:

- MB endorsed the proposal 'Selection Panel recommendation to the Management Board for the replacement of Mr Juan Bataller-Grau: IRSG member in the category "Academics", Ms Sibylle Reichert: OPSG member in the category "IORPs", Mr Dirk Ulbricht: IRSG member in the category "Consumers"' (EIOPA-MB-19-055, 23 April 2019) submitted by the EIOPA Selection Committee.

Action points:

- EIOPA to submit the proposal for approval to BoS in June 2019.

Written Procedure: Not applicable

6. BoS preparation

6.1. Solvency II 2020 Review

6.1.1. Review of Solvency II: Highlighted issues

6.1.2. Reporting and Disclosure Consultation Paper

6.2. International Capital Standard: strategic approach

6.3. Consultation Paper on Insurance Guarantee Schemes

6.4. Discussion paper on insurance stress test methodologies

6.5. IDD - Report analysing national General Good rules

6.6. Thematic Review on Travel Insurance

6.7. Preparations for the 2020 Report on Costs and Past Performance

6.1. Solvency II 2020 Review

6.1.1. Review of Solvency II: Highlighted issues

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB agreed to proceed in discussions with BoS in view of the highlighted topics of extrapolation of Risk-free Interest Rates; Volatility Adjustment; and Matching Adjustment.

Action points:

- The National Competent Authorities to consider allocation of further resources to the EIOPA project groups working on the 2020 review.

Written Procedure: Not applicable

6.1.2. Reporting and Disclosure Consultation Paper

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB agreed that the Reporting and Disclosure Solvency II Review 2020 package is a good basis for discussion at BoS and that the message should be that the reporting package needs to be streamlined overall.
- MB agreed that captives are an area where further work is needed in light of proportionality both in reporting and disclosure.
- MB agreed that the package is a good basis for the consultation but specific areas might need further thought after consultation such as the level of granularity of cyber template or internal models information.
- MB supported the 'Two-pages' Solvency and Financial Condition Report for policyholders with clear and easy to understand language.

Action points:

- EIOPA to include in the Impact assessment an overall view of the overall effect of the changes proposed to illustrate whether they lead to simplification of the overall reporting package.
- EIOPA to follow up with COM on the discussions from the past regarding

empowerment of the Implementing Technical Standard regarding materiality, proportionality and risk-based thresholds.

- EIOPA to reflect in the package further proportionality regarding captives.
- EIOPA to follow up, during the consultation period, with the Internal Model Forum on the proposals regarding Internal Model reporting.

Written Procedure: Not applicable

6.2. International Capital Standard: strategic approach

Type: Discussion

Voting results: Not applicable

Conclusions:

- Members committed to the negotiations resulting into an ICS 2.0 by the end of 2019.
- MB confirmed to evaluate the US Aggregation Method (AM), by the end of the monitoring period, based on quantitative indicators but also supported to complement it with qualitative requirements. Members also supported a roadmap regarding the assessment of AM and the criteria to be applied, including milestones, to be proposed by the International Association of Insurance Supervisors (IAIS) by the end of 2019.

Action points:

- Not applicable

Written Procedure: Not applicable

6.3. Consultation Paper on Insurance Guarantee Schemes

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB welcomed the Consultation Paper and concluded that good progress had been made on the topic in line with the steering of BoS in March 2019.
- MB agreed that EIOPA should follow a step-by-step approach on this topic and keep the momentum. Therefore, feedback from stakeholders should be gathered at this stage before continuing working out the technical details.

Action points:

- EIOPA to upload the Consultation Paper for approval to the upcoming BoS meeting in June 2019.

Written Procedure: Not applicable

6.4. Discussion paper on insurance stress test methodologies

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB broadly supported the draft discussion paper and further steps forward.

Action points:

- EIOPA to include a narrative on the next steps foreseen into the draft discussion paper (top-down stress test, liquidity stress test and methodology for Environmental Sustainable Governance) and their timeline.

Written Procedure: Not applicable

6.5. IDD - Report analysing national General Good rules

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB was supportive of EIOPA's work on the Report analysing national General Good rules.

Action points:

- EIOPA to submit the Report to June 2019 BoS meeting for approval.

Written Procedure: Not applicable

6.6. Thematic Review on Travel Insurance

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB agreed that any issues arising from the new business models would need addressing.
- MB agreed that once problems are established, supervisory action should be considered. Action should also be firmly in the context of the new tools provided by the Insurance Distribution Directive including the Product Oversight and Governance.

Action points:

- EIOPA to finalise the additional more in-depth data analysis on commissions and business models.
- EIOPA to present the findings of the thematic review at the BoS in June 2019 for a strategic discussion on the possible supervisory follow-up.
- CCPFI to finalise the report with a target of the CCPFI 3 July 2019 meeting, to be followed by a potential written procedure on the final report with the Board.

Written Procedure: Not applicable

6.7. Preparations for the 2020 Report on Costs and Past Performance

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB supported to discuss the approach to be taken for the 2020 report in the BoS focussing also on aspects related to scope and the efficient support for firms when completing the questionnaires.

Action points:

- EIOPA to upload the Cover Note setting out preparations as presented to MB and proposed amendments to methodology for the June 2019 BoS.

Written Procedure: Not applicable

7. AOB

Type: Discussion

Voting results: Not applicable

Conclusions:

- Not applicable

Action points:

- Not applicable

Written Procedure: Not applicable