



EIOPA REGULAR USE

EIOPA-MB-19/017

EIOPA Management Board

Frankfurt, 16 January 2019

Final Minutes

Members:

Gabriel Bernardino (Chairman), Frank Grund, Jean Hilgers, Elena Barra Caracciolo (PoA to represent Alberto Corinti, via video conference), Zuzana Silberova, Olaf Sleijpen

Observers:

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

EIOPA Staff (for relevant topics):

Fausto Parente (Executive Director), Susanne Rosenbaum, Ineta Galubicke, Ivo Karshev, Danny Janssen (items 3, 4, 5), Philip Codrai (item 3), Inga Naumane (item 3), Patrick Hoedjes (item 4), Dimitris Zafeiris (items 4, 6.4, 6.5), Ana Teresa Moutinho (items 4, 6.1, 7), Giovanni Rago (item 6.1), Timothy Walters (item 6.2), Timothy Shakesby (item 6.3), Andres Lehtmets (item 6.3), Petr Jakubik (items 6.4, 6.5), Sandra Hack (item 6.4), Matteo Sottocornola (item 6.5), Manuela Zweimueller (items 7.0, 8.0), Justin Wray (item 8.0), David Cowan (item 6.2), Hiltrud Besgen (item 7), Lars Dieckhoff (item 7), Beata Kaminska (item 7), Jesus Cisneros (item 8).

The Chairman welcomed attendants to the first 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 Budget and Single Programming Documents

3.1. EIOPA Budget 2018

3.1.1. Budget Execution

3.1.2. Report on budget transfers

3.2. Single programming document 2019 – 2021

3.2.1. Revised Single Programming Document 2019-2021

3.2.2. EIOPA Budget 2019: Detailed budget breakdown

3.3. Single Programming Document 2020-2022

3.3.1. Draft Single Programming Document 2020-2022

3.3.2. EIOPA Budget 2020: draft estimate of revenue and expenditure

3.1. EIOPA Budget 2018

3.1.1. Budget Execution

Type: Information

Voting results: Not applicable

Conclusions: MB took note of the 2018 budget execution information.

Action points: Not applicable

Written Procedure: Not applicable

3.1.2. Report on budget transfers

Type: Information

Voting results: Not applicable

Conclusions: MB took note of the 2018 budget transfer information.

Action points: Not applicable

Written Procedure: Not applicable

3.2. Single programming document 2019 – 2021

3.2.1. Revised Single Programming Document 2019-2021

Type: Decision

Voting results: MB endorsed the 'Revised EIOPA Single Programming Document 2019-2021' (EIOPA-MB-19-012, 16 January 2019), including the discussed amendments.

Conclusions:

- EIOPA to submit the 'Revised EIOPA Single Programming Document 2019-2021' to BoS for adoption.

Action points:

- EIOPA to provide further clarity on the specified areas such as information on the European Court of Auditors (ECA) recommendation on moving resources from regulation to supervision, in addition to addressing further comments from MB as appropriate received in writing prior to upload for BoS.

Written Procedure: Not applicable

3.2.2. EIOPA Budget 2019: Detailed budget breakdown

Type: Information

Voting results: Not applicable

Conclusions:

- MB took note of the adopted budget 2019 breakdown information.

Action points:

- EIOPA to provide further clarity on the specified areas such as the situation with regards to the European School Frankfurt fees and that the legislative proposal for Sustainable Finance is still under discussion, in addition to addressing further comments from MB in writing as appropriate prior to upload for BoS.

Written Procedure: Not applicable

3.3. Single Programming Document 2020-2022

3.3.1. Draft Single Programming Document 2020-2022

Type: Decision

Voting results: MB endorsed the 'Draft Single Programming Document 2020-2022' (EIOPA-MB-19-010, 16 January 2019) including the discussed amendments.

Conclusions:

- EIOPA to submit the 'Revised EIOPA Single Programming Document 2019-2021' to BoS for adoption.

Action points:

- EIOPA to provide further clarity on specified areas such as staff changes and figure justifications and address any further comments from MB prior to upload for BoS.

Written Procedure: Not applicable

3.3.2. EIOPA Budget 2020: draft estimate of revenue and expenditure

Type: Decision

Voting results: MB approved the 'EIOPA Budget 2020' (draft estimate of revenue and expenditure) and endorsed it for submission to BoS (EIOPA-MB-19/10, 16 January 2019).

Conclusions:

- Not applicable

Action points:

- EIOPA to introduce in the BoS budget Cover Note a narrative related to Brexit, the European Supervisory Authorities' (ESA's) review pre-financing and the consequences for the Member States contributions to the EIOPA Budget proposal.

Written Procedure: Not applicable

4. EIOPA action plan – ECA audit recommendations

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB took note of the EIOPA action plan on the ECA audit recommendations towards its supervisory convergence and stress test activities.
- Some suggestions for clarifications and additions were provided on the actions relating to internal models, stress test transparency and on the follow-up on the recommendations.

Action points:

- EIOPA to amend the action plan to include comments received.
- EIOPA to initiate a strategic discussion on how to ensure availability of sufficient information to accommodate an appropriate discussion on internal model developments in BoS.
- When implementing the relevant actions from the plan, EIOPA to address the relevant steering committees.

Written Procedure: Not applicable

5. Quality Control Committee

5.1. QCC Mandate 2019

5.2. Revised QCC Report on the EIOPA Q&A Process

5.0 Quality Control Committee

5.1. QCC Mandate 2019

Type: Decision

Voting results: MB adopted the 'Quality Control Committee Mandate 2019' (EIOPA-MB-19/14, 16 January 2019).

Conclusions:

- Not applicable

Action points:

- The Quality Control Committee (QCC) Chair to inform the BoS about the adopted QCC 2019 Mandate.

Written Procedure: Not applicable

5.2. Revised QCC Report on the EIOPA Q&A Process

Type: Decision

Voting results: MB adopted the 'Report on EIOPA QCC Quality Review of the Functioning of EIOPA's Q&A Process' (EIOPA-MB-18/166, 16 January 2019).

Conclusions:

- Not applicable

Action points:

- QCC Chair to inform the BoS about the adopted Questions and Answers (Q&A) Process Review Report.
- EIOPA to address the recommendations of the Q&A Process Review Report and report to the QCC in 2019 on the progress made.

Written Procedure: Not applicable

6. BoS preparation

6.1. Draft Opinion on proportionate supervision of SCR

6.2. Targeted amendments to the PRIIPs KID

6.3. Update on InsurTech Task Force work and next steps

6.4. IORPs Stress Test 2019 package for informal consultation

6.5. Insurance Stress Test 2018: Follow-up

6.1. Draft Opinion on proportionate supervision of SCR

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB supported the content with one proposal to increase the threshold and one to

ensure the power of the supervisory authority not to accept the approach.

- The document will be discussed at BoS in January 2019.

Action points:

- EIOPA to revise draft as discussed and to upload revised version to January 2019 BoS for discussion.
- EIOPA to liaise with the European Commission (COM) to see how the draft text can be adjusted to minimise the COM legal concerns.

Written Procedure: Not applicable

6.2. Targeted amendments to the PRIIPs KID

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB agreed with the proposed way forward following the public consultation to not submit a Regulatory Technical Standards (RTS) to COM at this stage. MB supported the use of a supervisory statement to address the concerns regarding the performance scenarios, instead of a Q&A.
- MB agreed that sufficient time is needed for the envisaged review of the Packaged Retail and Insurance-based Investment Products (PRIIPs) in 2019 in order for an adequate ESA process, including consumer testing and public consultation.

Action points:

- EIOPA to prepare a Draft Final Report including supervisory statement for January 2019 BoS meeting.

Written Procedure: Not applicable

6.3. Update on InsurTech Task Force work and next steps

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB took note and expressed support for proposed priorities for InsurTech Task Force.

Action points:

- EIOPA to provide more explanation on possible Innovation Hub approach in January 2019 BoS.

Written Procedure: Not applicable

6.4. IORPs Stress Test 2019 package for informal consultation

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB fully supported the suggested approaches and agreed to bring the draft stress test specifications to the January 2019 BoS meeting for approval.
- MB advised to ensure a relevant and meaningful exercise, which can only be achieved by a sufficiently high number of individually participating Institutions for Occupational retirement Provision (IORPs) and the further development of a sufficiently severe market scenario in line with ECA's recommendations.
- The questionnaires should be clear, understandable and tailored to the objective, so to avoid being too lengthy or detailed.

Action points:

- EIOPA to make sure the questionnaires are not too detailed or not closely matching the objective.
- EIOPA to ask for approval of the draft stress test package for informal consultation at the January 2019 BoS meeting, as proposed.

Written Procedure: Not applicable

6.5. Insurance Stress Test 2018: Follow-up

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB agreed on the proposal to set-up a reach-out exercise on the cyber risk which will include an additional round of data collection and contacts between EIOPA and NCAs staff with the participants.
- MB acknowledged the need to initiate the discussion on how to structure the potential recommendations (generic vs. specific) in the forthcoming January 2019 BoS.

Action points:

- EIOPA to prepare a timeline for the reach-out exercise on cyber risk to be discussed in the January 2019 BoS meeting.
- EIOPA to provide stress test data in support of the initial discussion on the recommendations to be presented in the January 2019 BoS closed session.

Written Procedure: Not applicable

7. Brexit-related issues

Conclusions:

- MB supported the initiative for an EIOPA Recommendation for the insurance sector in light of Brexit.
- The Recommendation should reflect that the supervision by EU27 Competent Authorities of the cross-border insurance business of the UK undertakings, which becomes unauthorised after Brexit, is risk-based and proportionate.

Action points:

- EIOPA to submit a draft EIOPA Recommendation for the insurance sector in light

of Brexit to the BoS meeting in January 2019 for approval.

8. AOB

8.1. Selection of IAIS ExCo member

Type: Discussion

Voting results: Not applicable

Conclusions:

- Not applicable

Action points:

- EIOPA to arrange for a written procedure to confirm the candidature received for the Western Europe Region.
- EIOPA to forward the candidature to the International Association of Insurance Supervisors (IAIS) Annual General Meeting according to the agreed procedure and criteria. EIOPA to inform the IAIS Secretariat about the standing member for Switzerland.

Written Procedure: Not applicable

Frankfurt am Main

[Signed]

Gabriel Bernardino

Chairperson of EIOPA