
INSURANCE AND REINSURANCE STAKEHOLDER GROUP MEETING

DATE: 24 FEBRUARY 2021 09:30 – 13:00 CET

LOCATION: VIDEO CONFERENCE

MEETING CONCLUSIONS

AGENDA ITEM 01: Approval of the draft agenda

1. The IRSG Chairperson welcomed members to the meeting.

CONCLUSIONS AND ACTION POINTS

2. The draft agenda (IRSG-21-42) was adopted.

AGENDA ITEM 02: Update by IRSG Chairperson and adoption of IRSG Work Plan

3. The IRSG Chairperson and subgroup leaders reviewed upcoming timelines and deliverables in the Work Plan.
4. Members will welcome to continue to receive from EIOPA, on important topics, a cover note to explain in a simple language the impact of a proposed policy or project to all different stakeholders i.e. from the point of view of end-users of financial services, industry, SMEs, etc. This will facilitate a more informed and balanced participation of all members in the IRSG meetings and in the subgroups.

CONCLUSIONS AND ACTION POINTS

5. IRSG Chairperson and Vice Chairperson appealed to members to engage early to ensure proper exchange – especially between different stakeholder categories and thus ensure proper governance.
 6. Members endorsed the IRSG Work Plan with the following amendments:
 - Topic on “Measures to improve the insurability of business interruption in light of pandemics” to be added to the IRSG Work Plan, with Tony O’Riordan leading the work.
 - Topic on “Open Finance” to be added to the IRSG Work Plan, with Marcin Kawiński leading the work.
 7. Members to volunteer to respond to EIOPA’s requests for input to consultations according to the IRSG Work Plan e.g. on Open Insurance or external credit assessment institutions (ECAI).
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8. Discussion on the EIOPA toolbox to take place at the next IRSG meeting.

AGENDA ITEM 03: Update by EIOPA Executive Director

9. EIOPA's Executive Director updated members on the following topics:

KEY INFORMATION DOCUMENT FOR PACKAGED RETAIL INVESTMENT AND INSURANCE-BASED PRODUCTS (PRIIPS)

Linked to discussion on PRIIPs (see [here](#)), and looking ahead to the Commission's upcoming review of the different retail investment rules including PRIIPs and the Insurance Distribution Directive (IDD), EIOPA has initiated work to develop a strategy on how to improve the current approach for better consumer disclosures.

10. **SURVEY ON THE APPLICATION OF THE IDD**

Stakeholders were invited to provide feedback by 1 February 2021. According to preliminary assessment, there is room for improvement in particular for comparison websites. Further results are still being analysed in detail and any conclusions will be incorporated into the final report on the application of the IDD to be published in Q4 2021.

11. **UPCOMING CONSULTATION ON VALUE FOR MONEY**

There are concerns with regard to possible value-for-money risks in the unit-linked insurance (and hybrid) market. A public consultation will be launched in March/April 2021 to seek feedback on proposed approach.

12. **LEGAL ENTITY IDENTIFIER (LEI) GUIDELINES**

EIOPA plans to launch a public consultation on the review of its LEI Guidelines in March, lasting 12 weeks. It would be of interest to hear about IRSG views especially on the proportionality ideas in the context of insurance intermediaries carrying out cross-border business.

13. **INTERBANK OFFERED RATES (IBORS) TRANSITIONS**

IBOR transitions seek to increase the robustness and reliability of the financial benchmarks used in the market. A public consultation and full balance sheet impact assessment are scheduled for Q2 2021.

14. **FINANCIAL EDUCATION MAP**

EIOPA thanked members for their input to develop an interactive map [to help consumers find their way in the insurance and pensions sectors](#).

15. Members regretted the decision from the European Commission (COM) to participate in fewer stakeholder group meetings going forward. Members highlighted the importance of having COM representative around the table to ask questions and also for COM to benefit from a direct exchange of views from a broad range of constituents represented on the stakeholder groups.

CONCLUSIONS AND ACTION POINTS

16. "Value-for-money risks in the European unit-linked market" to be added to the IRSG Work Plan.
17. IRSG Chairperson to liaise with OPSG Chairperson regarding initiative of sending communication to COM on the matter of regular COM participation in SHG meetings.

AGENDA ITEM 04: Methodology on potential inclusion of climate change in the Natural Catastrophe standard formula

18. Topic owner Marcin Kawiński summarised (see [link](#)) the IRSG advice on the methodology for a potential inclusion of climate change in the nat cat standard formula. Main arguments are that there is no need to limit the scope of models to be used for nat cat risk management at this stage, and the use open-source data would be welcome. If the reassessment process identifies a need for recalibration – EIOPA's proposal is to undertake regular assessment of the nat cat parameters – this should be undertaken through a standardised, transparent, and documented process concerning the data used and the methods applied.

CONCLUSIONS AND ACTION POINTS

19. Topic owner to prepare adoption of the advice by IRSG, due by 26 February 2021.

AGENDA ITEM 05: Non-life underwriting in light of climate change

20. Topic owner Tony O'Riordan outlined (see [link](#)) the draft advice on Non-life underwriting in light of climate change. Main arguments are that governments have the principal role as regards climate change and risk prevention and such policies can in turn remove limitations and enable insurance. The group also questions in the advice the need to bring a new concept of impact underwriting into the discussion, as the important issue is to promote and develop sustainable underwriting.

CONCLUSIONS AND ACTION POINTS

21. Topic owner to prepare adoption of the advice by IRSG, due by 26 February 2021.

AGENDA ITEM 06: Supervisory Statement on ORSA in the context of COVID-19

22. Topic owner Lauri Saraste outlined (see [link](#)) the scope of EIOPA's public consultation.
23. Members exchanged preliminary views on the topic such as the need to keep the right balance, of Supervisory Authorities not being too prescriptive for undertakings' Own Risk and Solvency Assessment (ORSA). ORSA should be considered as the undertaking's (own) management tool.

CONCLUSIONS AND ACTION POINTS

24. Topic owner to prepare first draft, noting that final adoption of the advice by IRSG is due by 15 March 2021.

AGENDA ITEM 07: Introduction to the 2021 Insurance Stress Test exercise

25. Board of Supervisors' Member Petra Hielkema introduced the topic and EIOPA (see [link](#)) provided an overview of the narrative, main elements and timeline of the 2021 stress test exercise. She pointed out that local initiatives on the extension of the scope of the stress test exercise are in the capacity of National Competent Authorities.

26. Members asked for clarification on the market coverage – and on the potential intervention of EIOPA to complement it – via a top-down analysis, on the assumptions of the scenario, on the definition of scope for the liquidity component and on the potential local initiatives to extend the number of entities involved in the exercise.
27. EIOPA explained that, targeting mainly large groups, it will not be in a position of drawing conclusion on local markets. Being a pure bottom-up exercise, EIOPA's Stress Test will not complement the information collected by participants or the analysis using other available data. The scenario developed in cooperation with the ESRB/ECB elaborates on an adverse evolution of the COVID crisis.

CONCLUSIONS AND ACTION POINTS

28. EIOPA to share updated version of the presentation (see [link](#)).

AGENDA ITEM 08: Taxonomy Regulation (TR)

29. EIOPA outlined (see [link](#)) the upcoming consultation from the European Supervisory Authorities (ESAs) and asked specific questions to the IRSG e.g. on a single rulebook for sustainability disclosures under the Sustainable Finance Disclosure Regulation and TR, and on a self-certification disclosure on Taxonomy-alignments.
30. Members welcomed a Single Rule Book and stressed that alignment to the EU taxonomy is important to implement the European Green Deal. Further aspects were discussed such as the subjectivity of assessing what sustainable investments are, or the treatment of green investments that are not aligned with the taxonomy.

CONCLUSIONS AND ACTION POINTS

31. Members were invited to send comments to the questions in the presentation (see [link](#)) by 26 February.
32. ESAs to consult publically on the taxonomy-disclosures in March 2021 for a period of eight weeks due to the limited time to deliver the Regulatory Technical Standard on 1 June 2021.

AGENDA ITEM 09: EIOPA's feedback on IRSG advice delivered

33. Members discussed EIOPA's feedback (see [link](#)) on how IRSG advice (on Shared Resilience Solutions, on EIOPA's draft Supervisory Statement on the use of risk mitigation techniques by insurance and reinsurance undertakings, on supervision of the use of climate change risk scenarios in ORSA, on product disclosure templates) was taken into consideration.
34. IRSG Chairperson highlighted the added value of receiving feedback on a regular basis. She noted that the level of detail of feedback given to the IRSG often varies depending on the topic.

35. EIOPA explained that extensive feedback cannot be always given at the next upcoming meeting, as this is also dependent on policy developments and internal decision-making processes. For instance, its work on consumer trends benefits from ongoing dialogue and extensive information gathering. As in the previous years, exchanges with the IRSG may better fit the purpose of EIOPA's report rather than providing punctual feedback on all identified trends. EIOPA's Executive Director stressed the need to make efficient use of EIOPA's resources, and to strike the right balance between feedback that EIOPA can give orally and in writing (through published consultation reports, and documents drafted for IRSG meetings).

CONCLUSIONS AND ACTION POINTS

36. EIOPA to provide feedback in IRSG meetings, yet the format should be kept flexible and pragmatic. Purpose is not to re-start discussions or advocate again particular points already delivered in the advice.

AGENDA ITEM 10: Exchange on proportionality

37. EIOPA gave a presentation (see [link](#)) on the advice to EIOPA's BoS on the Annual Work Programme 2021 from EIOPA's ACP (Advisory Committee on Proportionality) as well as the input received to the work of the ACP for 2022 on proportionate and relevant application of the Solvency II Directive.

CONCLUSIONS AND ACTION POINTS

38. EIOPA to present the advice of ACP's Task Force at the next IRSG meeting.

AGENDA ITEM 11: Any Other Business (AOB):

39. This was the last participation of the EIOPA Chairperson in an IRSG meeting as his mandate is expiring by the end of February. . He thanked members for the inspiring discussions and stressed that the IRSG greatly contributed to EIOPA becoming a credible authority through its open and constructive dialogue with the Authority.
40. He encouraged members to contribute to future projects in the field of Sustainable Finance, Open Finance, Digitalisation, and Shared Resilience Solutions. He further outlined two essential priorities to effectively maintain equal protection of consumers as well as a level playing field between market participants: (i) a new approach to consumer disclosures and (ii) the need for centralised insurance supervision (over internationally active insurance and reinsurance groups, companies exercising cross-border business under the freedom to provide services, and pan-European products like the PEPP).
41. The IRSG Chairperson praised EIOPA's Chairperson for his excellent work at the helm of EIOPA and his genuine engagement with the group. IRSG members thanked Gabriel Bernadino for his successful mandate at EIOPA.

CONCLUSIONS AND ACTION POINTS

42. Not applicable

Participants

Chairperson: Michaela Koller (Germany) **Vice-Chairperson:** Paul Fox (UK)

| First Name | Last Name | Country | Member representing | |
|--------------|------------------|----------------|---------------------------|---------|
| Mireille | Aubry | France | Industry | Present |
| Pauline | Azzopardi | Malta | Consumers & Users | Present |
| Typhaine | Beaupérin | Belgium/France | Professional associations | Present |
| Monica | Calu | Romania | Consumers & Users | Present |
| Desislav | Danov | Bulgaria | Consumers & Users | Present |
| Niko | Daskalakis | Greece | SMEs | Present |
| Claudia | Donzelmann | Germany | Industry | Present |
| Paul | Fox | UK | Consumers & Users | Present |
| Hugh | Francis | UK | Industry | Present |
| Liisa | Halme | Finland | Employees | Present |
| Liane | Hirner | Austria | Industry | Present |
| Benoît | Hugonin | France | Industry | Present |
| Marcin | Kawiński | Poland | Academics | Present |
| Michaela | Koller | Germany | Industry | Present |
| Xavier | Larnaudie Eiffel | France | Industry | Present |
| Pierpaolo | Marano | Italy | Academics | Present |
| Stefan | Materne | Germany | Academics | Present |
| Anthony | O'Riordan | Ireland | Professional associations | Present |
| Tomas | Paulauskas | Lithuania | Consumers & Users | Present |
| Juan - Ramón | Plá | Spain | Industry | Present |
| Patricia | Plas | Belgium | Industry | Present |
| Guillaume | Prache | France/Belgium | Consumers & Users | Present |
| Tito | Rodrigues | Portugal | Consumers & Users | Present |
| Galit | Saar | Sweden | Industry | Present |
| Lauri | Saraste | Finland | Industry | Present |
| Bruno | Scaroni | Italy | Industry | Present |
| Martin | Schmalzried | Czech Republic | Consumers & Users | Present |
| Antti | Talonen | Finland | Academics | Present |
| Greg | Van Elsen | Belgium | Consumers & Users | Present |
| Gisella | van Vollenhoven | Netherlands | Industry | Present |

Other participants:

EIOPA's Chairperson and Executive Director, Management Board and Board of Supervisors member, EIOPA staff members.

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