

IRSG meeting

DATE: 14 November 2023

TIME: 10:00 – 16:00H CET

LOCATION: IN PERSON, EIOPA'S PREMISES

IRSG meeting

MEETING CONCLUSIONS

AGENDA ITEM 1: APPROVAL OF THE AGENDA

1. The IRSG Chairperson welcomed the attendees to the “in person” meeting.

CONCLUSIONS AND ACTION POINTS

2. The draft agenda (EIOPA-IRSG-23-11) was adopted.

AGENDA ITEM 2: UPDATE BY IRSG CHAIRPERSON

3. The IRSG Chairperson presented an overview of the updated IRSG’s work plan, highlighting the recent deliveries of the group, namely, the IRSG’s input to the:

- a) Consultation on Supervisory Statement on supervision of reinsurance concluded with third country insurance and reinsurance undertakings;
- b) Consultation on Staff paper on measures to address demand-side aspects of the NatCat protection gap.

4. IRSG members were kindly requested to indicate their interest in leading and supporting the drafting of an IRSG advice for forthcoming consultations. The following IRSG members have volunteered to take on the topic leadership on:

- Lauri Saraste: upcoming consultation on Value for Money;
- Desislav Danov: upcoming consultation on the second batch of DORA policy products;
- Pierpaolo Marano: consultation on the supervision of captive (re)insurance undertakings;
- Patricia Plas: upcoming survey and consultation on Greenwashing.

5. IRSG members were also encouraged to indicate their interest in supporting the ACP work on proportionality.

6. IRSG members were reminded that the group's mandate will end next year, and the renewal selection process is being prepared internally by EIOPA. The call for candidates is scheduled to be published in February or early March 2024 with the aim to select the new members by mid 2024.

7. Following the discussion IRSG members were encouraged to reflect on the ongoing work of the group and to prepare a report comprising the accomplishments of the current mandate to be presented by the end of the IRSG's current mandate. Topic leaders from past inputs to consultations were invited to compile summaries of their respective inputs.

CONCLUSIONS AND ACTION POINTS

8. IRSG Chairperson to moderate the process of appointing IRSG members, who will take the lead on drafting and coordinating upcoming IRSG advices, and to share the information with all IRSG members.

9. EIOPA secretariat together with IRSG Chairperson to keep the IRSG workplan overview up to date.

10. IRSG topic leaders to compile summaries of their respective inputs as delivered and members to prepare a comprehensive report on the group's work for presentation during the IRSG's final meeting next year. The IRSG Chairperson and Vice-Chairperson will coordinate this work.

11. EIOPA secretariat to communicate the IRSG's meeting dates 2024 until the end of the mandate.

AGENDA ITEM 3: UPDATE BY EIOPA

12. EIOPA's Executive Director welcomed all participants on behalf of EIOPA's Chairperson, who couldn't attend the meeting due to a mission abroad.

13. EIOPA's Executive Director informed the IRSG members about the following items:

- Feedback received and the intended next steps regarding: i) the Consultation on Supervisory Statement on Supervision of reinsurance concluded with third country insurance and reinsurance undertakings; ii) the Consultation on Open Insurance: an explanatory use case in the insurance sector; and iii) the Joint ESAs work on the revised SFDR RTS.
- Publication of the EIOPA's Digital Strategy, integrating EIOPA's view and mission on how to support digitalization of the insurance and pensions sectors, of NCAs and of EIOPA itself. Under the objective of promoting consumer protection and financial stability, EIOPA's role will range from monitoring developments, facilitating and promoting innovation, contributing to digitalization of NCAs and implementing its own digital transformation.
- Publication of the Report on the Impact of Inflation on the Insurance Sector, analysing the impact of inflation on the insurance sector as observed so far (backward perspective) and assessing potential risks and vulnerabilities given the uncertainty of how inflation will develop in the short-, medium-, and long-term (forward looking perspective).
- Publication of the European Insurance Overview report 2023, which is based on annually reported Solvency II information.

- EIOPA's strategic priorities for the period 2024-2026, focusing on integrating sustainable finance considerations across all areas of work; supporting the consumers, the market and the supervisory community through digital transformation; enhancing the quality and effectiveness of supervision, particularly in view of increased cross-border business; ensuring technically sound prudential and conduct of business policy; identifying, assessing, monitoring and reporting on risks to the financial stability and conduct of business and promoting preventive policies and mitigating actions; and providing effective recruitment, management and development of EIOPA's human capital to further enhance its position as an attractive employer.
- EIOPA's 2023 Consumer Trends Report, which is currently in the final drafting phase. The publication of the report is planned for January 2024.
- Consultation on the supervision of captive (re)insurance undertakings, open until 5 January 2024;
- Survey on access to cyber coverage by SMEs, open until 20 March 2024;
- EIOPA's 7th Sustainability Finance Conference, on Thursday 14 December 2023, 10:00-15:00, online only. Registration is now open and will end on Friday 8 December 2023.

14. IRSG members welcomed the information provided by EIOPA's Executive Director, and proceeded with a discussion emphasizing the need for adequate time allocation for upcoming public consultations, especially considering the approaching Christmas holidays period.

15. Following the discussion, IRSG members sought more detailed information about the timeline and subsequent steps of the Consultation on Supervisory Statement on Supervision of reinsurance concluded with third country insurance and reinsurance undertakings.

16. IRSG members also sought for a more detailed timetable to prepare their inputs on implementation of Solvency II.

17. Additionally, queries were raised regarding the specific focus of the Consumer Trends Report on SMEs, alongside inquiries about EIOPA's work concerning the Right to be forgotten (RTBF) and the AI Act.

CONCLUSIONS AND ACTION POINTS

18. EIOPA will publish the Consumer Trends Report in early 2024 once adopted by its Board of Supervisors by the end of this year.

19. EIOPA to continue to engage with IRSG members and provide information on the next steps of the Consultation on Supervisory Statement on Supervision of reinsurance concluded with third country insurance and reinsurance undertakings.

20. EIOPA Secretariat to share information about the opening of the forthcoming consultations, and IRSG members to provide feedback.

AGENDA ITEM 4: DEMAND SIDE ASPECTS OF NATCAT PROTECTION GAPS

21. EIOPA introduced the topic and presented a follow-up update on the Staff paper addressing demand-side aspects of the NatCat protection gap. This paper underwent public consultation from July 5th to October 5th. The presentation highlighted demand-side factors influencing NatCat insurance uptake, the percentage of uninsured consumers for various reasons across selected member states, potential strategies to incentivize consumers to acquire insurance coverage based on study findings, and proposed solutions arising from the public consultation.

22. EIOPA welcomed the IRSG's input to the consultation and informed that it is still in very early phase of analysing feedback received. Nevertheless, IRSG members were informed that EIOPA will draft and subsequently publish a revised paper based on the comments received. EIOPA will also develop further the list of possible follow-up actions.

23. Members welcomed the presentation and highlighted the need to enhance consumer's awareness regarding NatCat risks, as well as the importance of adaptation measures at a local/regional level. They also underlined the need to take a more holistic approach. Following the discussion, members emphasized the interconnectedness between NatCat protection and home insurance, urging insurers to focus on actionable measures and suggesting the implementation of indexes. The discussion also centered on considering frameworks and actions by NCAs to mitigate risks, addressing new risks beyond the industry's scope, and advocating for innovative solutions.

24. Subsequently, members commended the holistic joint discussion paper by EIOPA and ECB and the need for a comprehensive approach to insuring households and businesses in the EU against climate-related natural catastrophes, such as floods or wildfires.

CONCLUSIONS AND ACTION POINTS

25. EIOPA to continue the dialogue with stakeholders, and to provide a follow-up on the joint work with ECB.

26. IRSG members to provide feedback to EIOPA's revised paper once it is published and on which solutions should be further tested and explored by EIOPA.

AGENDA ITEM 5: DORA

27. EIOPA provided an update on the joint ESAs work on DORA, highlighting the progress made on the first batch of policy mandates slated for publication in January 2024 and on the second-batch of policy mandates, scheduled for public consultation starting in December 2024.

28. Members welcomed the presentation and commended the good cooperation among ESAs regarding the implementation of DORA.

CONCLUSIONS AND ACTION POINTS

29. EIOPA to provide further feedback on the matter and to share information about the opening of consultation on the second-batch of policy mandates.

30. IRSG members to provide feedback to consultation once it is launched.

AGENDA ITEM 6: APPROACH TO IMPLEMENTATION OF SOLVENCY II

31. EIOPA introduced the topic and presented the intended approach to the drafting and revision of technical standards and guidelines for the Solvency II review, in particular that the work needs to be prioritised and sequenced.

32. IRSG members noted the work done, and engaged in a discussion regarding the feasibility of sequencing the instruments, along with a request for a more specific timeline. Members also sought more detailed specifications regarding the instruments to be prioritized in each phase. Following the discussion, queries were raised about the relationship between Solvency II and IRRD.

CONCLUSIONS AND ACTION POINTS

33. EIOPA to provide in due course a more detailed timetable regarding the implementation of Solvency II to allow IRSG members to prepare their inputs.

34. EIOPA to consider the organization of roundtable meetings.

AGENDA ITEM 7: UPDATE ON VALUE FOR MONEY BENCHMARKS

35. EIOPA provided a presentation outlining its proposed approach towards the development of value for money supervisory benchmarks, primarily focusing on insurance-based investment products (IBIPs).

36. The aim of the presentation was to offer an overview of EIOPA's plans to approach the benchmarks via a level 3 work initiated before the RIS, and to clarify how EIOPA sees the benchmarks, namely (i) as a tool meant to enable insurance product manufactures to better determine if their product offers value or not; and (ii) as a tool to help supervisors in taking a more risk-based approach to supervision by identifying those products which are outside of the perimeter of the benchmarks and which may require higher supervisory scrutiny.

37. IRSG members were informed that EIOPA expects to publish the methodology for public consultation in December and also do a data pilot to test different approaches in particular for MOPs as well as to make sure the methodology works from a practical and empirical perspective.

38. IRSG members welcomed the presentation and engaged in a debate, particularly highlighting the importance of exercising caution when making comparisons among various products.

CONCLUSIONS AND ACTION POINTS

39. IRSG to continue its efforts, maintaining an ongoing dialogue with national supervisory authorities and collecting further feedback from stakeholders as part of the benchmark development process.

AGENDA ITEM 8: UPDATE ON SUSTAINABILITY-RELATED CONDUCT WORK

40. EIOPA provided an update on the ongoing work and areas of focus in view of the final report on the CfA on greenwashing due May 2024.

41. IRSG members were informed that EIOPA will send them a survey (by end Nov 2023) focused on non-life insurance products with sustainability features.

CONCLUSIONS AND ACTION POINTS

42. EIOPA to continue its work towards the final report and to continue the dialogue with stakeholders.

43. IRSG members to respond to the survey focused on non-life insurance products with sustainability features.

AGENDA ITEM 9: ANY OTHER BUSINESS (AOB)

44. IRSG Chairperson reminded IRSG members about the next joint meeting between BoS, IRSG and OPSG members on 13 December, in “online” format.

IRSG Participants

Chairperson: Paul Fox

Vice-Chairperson: Michaela Koller

First name	Last name	Country	IRSG category	Attendance
Paul	Fox	UK	Consumers & Users	Present
Michaela	Koller	Germany	Industry	Present
Mireille	Aubrey	France	Industry	Present
Pauline	Azzopardi	Malta	Consumers & Users	Present
Typhaine	Beauperin	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
Hugh	Francis	UK	Industry	Present
Liisa	Halme	Finland	Employees	Present
Liane	Hirner	Austria	Industry	ONLINE
Benoit	Hugonin	France	Industry	Present
Marcin	Kawinski	Poland	Academic	Present
Xavier	Larnaudie-Eiffel	France	Industry	Absent
Pierpaolo	Marano	Italy	Academics	Present
Stefan	Materne	Germany	Academics	Present
Anthony	O'Riordan	Ireland	Professional Associations	ONLINE
Tomas	Paulauskas	Lithuania	Consumers & Users	Present
Juan-Ramon	Pla	Spain	Industry	Present
Patricia	Plas	Belgium	Industry	Present
Guillaume	Prache	France	Consumers & Users	ONLINE
Tito	Rodrigues	Portugal	Consumers & Users	Present
Lauri	Saraste	Finland	Industry	Present
Bruno	Scaroni	Italy	Industry	Present
Martin	Schmalzried	Czech Republic	Consumers & Users	ONLINE
Antti	Talonen	Finland	Academics	Present
Greg	Van Elsen	Belgium	Consumers & Users	Absent
Gisella	van Vollenhoven	Netherlands	Industry	ONLINE

Other participants:

EIOPA's Senior Management and staff members.