



EIOPA REGULAR USE

EIOPA-MB-19/181

EIOPA Management Board

Frankfurt, 14 January 2020

Final minutes

Members:

Jean Hilgers (Chairman), Frank Grund, Jiri Kalivoda (as alternate of Zuzana Silberova), Olaf Sleijpen, Sergio Alvarez, Patrick Montagner

Observers:

Steve Ryan (COM)

EIOPA Staff (for relevant topics):

Fausto Parente (Executive Director), Catherine Coucke, Ineta Galubicke, Danny Janssen (items 3, 4, 5), Philip Codrai (item 3), Inga Naumane (item 3), Mette von Sicard (items 3, 4), Claire Bose (item 6), Dimitris Zafeiris (items 7.2, 7.3, 7.4, 7.7), Ana Teresa Moutinho (items 7.1, 7.2, 7.5, 7.6, 7.7), Giovanni Rago (items 7.1, 7.5, 7.6, 7.7), Edward Samsom (items 7.1, 7.7), Carlos Guine (item 7.1), Marco Traversa (item 7.2), Enrique Martinez (item 7.2), Juan Zschiesche (item 7.3), Petr Jakubik (items 7.3, 7.4), Sandra Hack (item 7.2), Matteo Sottocornola (item 7.4), Justin Wray (items 7.1, 7.8), Marieke van Grevenstein (item 7.5), Dinant Veenstra (item 7.7), Diana Vieira (item 7.7), Paola Brenda (item 7.7), Hiltrud Besgen (item 7.8), Lars Dieckhoff (item 7.1).

The Management Board agreed in the excused absences of EIOPA's Chair and Vice-Chair that Jean Hilgers chaired the present meeting.

The Chair of the meeting (further the 'Chairman'), welcomed attendants to the first meeting of EIOPA's Management Board (MB) in 2020.

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 2019

3.1.1. Budget Execution

3.1.2. Report on budget transfers

3.2. Single programming document 2020-2022

3.2.1. Revised Single Programming Document 2020-2022

3.2.2. EIOPA Budget 2020: Detailed budget breakdown

3.3. Single Programming Document 2021-2023

3.3.1. Draft Single Programming Document 2021-2023

3.3.2. EIOPA Budget 2021: draft estimate of revenue and expenditure

3.1. EIOPA Budget 2019

3.1.1. Budget Execution

Type: Information

Voting results: Not applicable

Conclusions:

- MB took note of the 2019 budget execution report (EIOPA-MB-19/159, 14 January 2020).

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 2019 budget transfers report (EIOPA-MB-19/160, 14 January 2020).

Action points:

- Not applicable

Written Procedure: Not applicable

3.2. Single programming document 2020-2022

3.2.1. Revised Single Programming Document 2020-2022

Type: Decision

Voting results: MB adopted by consensus the 'Revised EIOPA Single Programming Document 2020-2022' (EIOPA-MB-19/187, 14 January 2020).

Conclusions:

- EIOPA to submit the 'Revised Single Programming Document 2020-2022' for the Board of Supervisors (BoS) adoption.

Action points:

- EIOPA to launch a procedure to allow BoS written comments in parallel to uploading the SPD 2020-2022 for the next meeting of BoS.

Written Procedure: Not applicable

3.2.2. EIOPA Budget 2020: Detailed budget breakdown

Type: Information

Voting results: Not applicable

Conclusions:

- MB took note of the adopted budget 2020 breakdown information (EIOPA-MB-19/161, 14 January 2020).

Action points:

- Not applicable

Written Procedure: Not applicable

3.3. Single Programming Document 2021-2023

3.3.1. Draft Single Programming Document 2021-2023

Type: Decision

Voting results: MB adopted by consensus the 'Draft Single Programming Document 2021-2023' (EIOPA-MB-19-177, 14 January 2020) including the discussed amendments.

Conclusions:

- EIOPA to submit the 'Draft Single Programming Document 2021-2023' to BoS for adoption.

Action points:

- EIOPA to launch a procedure to allow BoS written comments in parallel to uploading the 'Draft Single Programming Document 2021-2023' for the next meeting of BoS.

Written Procedure: Not applicable

3.3.2. EIOPA Budget 2021: draft estimate of revenue and expenditure

Type: Decision

Voting results: MB adopted the 'EIOPA Budget 2021' (draft estimate of revenue and expenditure) and endorsed it for submission to BoS (EIOPA-MB-19/186, 14 January 2020).

Conclusions:

- EIOPA to submit the 'EIOPA Budget 2021' (draft estimate of revenue and expenditure) to BoS (EIOPA-MB-19/186, 14 January 2020).

Action points:

- EIOPA to inform the BoS of the estimated contribution fees to EIOPA's budget 2021.

Written Procedure: Not applicable

4. EIOPA Internal Control

Annual Report 2019 and Work Plan 2020

Type: Information

Voting results: Not applicable

Conclusions:

- MB welcomed the internal control status report for 2019 and the workplan for 2020 (EIOPA-MB-19/171, 14 January 2020).

Action points:

- EIOPA to circulate to the MB Members EIOPA's Risk assessment process.

Written Procedure: Not applicable

5. Quality Control Committee

5.1. QCC Report on 2019 Work

5.2. QCC review report on the implementation of Professional Secrecy Rules

5.3. QCC Mandate 2020

5.0 Quality Control Committee

5.1. QCC Report on 2019 Work

Type: Information

Voting results: Not applicable

Conclusions:

- MB welcomed the report on the work of the Quality Control Committee (QCC) in 2019 (EIOPA-MB-19/162, 14 January 2020).

Action points:

- Not applicable

Written Procedure: Not applicable

5.2. QCC review report on the implementation of Professional Secrecy Rules

Type: Decision

Voting results: MB adopted by consensus the 'Report on EIOPA QCC Quality Review of EIOPA's Professional Secrecy Rules' (EIOPA-MB-19/174, 14 January 2020).

Conclusions:

- Not applicable

Action points:

- Not applicable

Written Procedure: Not applicable

5.3. QCC Mandate 2020

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB supported the QCC mandate for 2020 (EIOPA-MB-19/163, 14 January 2020).

Action points:

- The QCC Chairman to present the QCC Mandate 2020 to the BoS for discussion and then to the MB for final approval.

Written Procedure: Not applicable

6. New EIOPA Website

Type: Information

Voting results: Not applicable

Conclusions:

- MB welcomed the development of the new website, including the improved design and functionality.

Action points:

- EIOPA to share analytics from new website later in 2020.

Written Procedure: Not applicable

7. BoS preparation

- 7.1. Solvency II 2020 review
- 7.2. Consultation Paper: PEPP ITSs on supervisory reporting and cooperation between NCAs and EIOPA
- 7.3. Supervisory Statement on the impact of the ultra-low/negative interest rate environment
- 7.4. Project Proposal: Operationalisation of the Holistic Framework for Systemic Risk in the Insurance Sector in Europe
- 7.5. Opinion on the supervision of remuneration principles in the insurance and reinsurance sector
- 7.6. EIOPA SupTech Strategy
- 7.7. EIOPA Cyber Underwriting Strategy
- 7.8. Brexit Update

7.1. Solvency II 2020 review**Conclusions:**

- Overall, MB supported the directions for the 2020 review and agreed to present it to next BoS although stressing that is not a definitive package, given that the public consultation is still ongoing and the results from the impact assessment are not known yet.

Action points:

- Not applicable

7.2. Consultation Paper: PEPP ITSs on supervisory reporting and cooperation between NCAs and EIOPA

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB took note of the proposals to implement the requirements on supervisory reporting and cooperation between National Competent Authorities (NCAs) and EIOPA.
- The need for proportionate measures, in line with the Pan-European Personal Pensions (PEPP) Regulation, to minimise the administrative burden was confirmed.

Action points:

- EIOPA to highlight to BoS the potential administrative burden of the proposals stemming from the supervisory reporting and exchange of information between

NCA and EIOPA.

Written Procedure: Not applicable

7.3. Supervisory Statement on the impact of the ultra-low/negative interest rate environment

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB agreed with the need to publish the supervisory statement in light of the current low/ultra-low interest rate environment.
- Several amendments regarding the structure and content should, however, be carried out to emphasise the key messages.

Action points:

- EIOPA to amend the document along the lines proposed before uploading it for the BoS meeting in January 2020.

Written Procedure: Not applicable

7.4. Project Proposal: Operationalisation of the Holistic Framework for Systemic Risk in the Insurance Sector in Europe

Type: Discussion

Voting results: Not applicable

Conclusions:

Conclusions:

- MB welcomed the proposal to setup a Project Group highlighting the need to follow a step by step approach in structuring the activities.

Action points:

- EIOPA to reflect the step by step structure of the activities in the note;
- EIOPA to submit the amended note to the January 2020 BoS meeting for decision.

Written Procedure: Not applicable

7.5 Opinion on the supervision of remuneration principles in the insurance and reinsurance sector

Type: Discussion

Voting results: Not applicable

Conclusions:

- MB discussed the issue of the threshold of 1:1 ratio between fixed and variable remuneration as a trigger for supervisors to engage with the undertakings and agreed to make it clearer in the text that the threshold should not in any case prevent the supervisors to adopt a lower one.

Action points:

- Text of paragraph 3.3 to be amended to reflect the main principle already reflected in paragraph 2.10 reinforcing that lower thresholds may be adopted by supervisors.
- EIOPA to submit the amended Opinion to the January 2020 BoS meeting for decision.
- **Written Procedure:** Not applicable

7.6. EIOPA SupTech Strategy**Type:** Discussion**Voting results:** Not applicable**Conclusions:**

- MB fully supported the SupTech Strategy and the priorities for the first two projects.

Action points:

- EIOPA to submit both the Strategy and the Programme to the January 2020 BoS meeting for decision.

Written Procedure: Not applicable7.7. EIOPA Cyber Underwriting Strategy**Type:** Discussion**Voting results:** Not applicable**Conclusions:**

- MB fully supported the Cyber Underwriting Strategy in the new version proposed after November 2019 BoS comments.

Action points:

- EIOPA to submit the Strategy to the January 2020 BoS meeting for decision.

Written Procedure: Not applicable7.8. Brexit Update**Type:** Discussion**Voting results:** Not applicable**Conclusions:**

- MB noted the latest developments in the European Commission's initiative to coordinate the cross-sectoral organisation of the cooperation with the UK and the approach to equivalence.
- In respect of the sixth information request, MB outlined the need to collect the missing data from UK undertakings and update the analysis for presentation in the BoS meeting.

- MB agreed with raising awareness of the issues identified and supported the proposal to encourage further in-depth analysis of the residual business and review of the eligibility of the national transitional measures in a deal scenario.

Action points:

- EIOPA to collect and include currently missing data of the sixth information request for presenting an update of the results in the BoS meeting.
- EIOPA to clarify in the slides that Gibraltar based entities are not included in the analysis but discussed separately on undertaking individual basis.
- EIOPA to clarify in the slides the reasons for obvious outliers of the analysis, specifically the number of policyholders.

Written Procedure: Not applicable

8. AOB

Type: Decision

Voting results:

- MB elected Mrs Zuzana Silberova (CZ) as new member of the Quality Control Committee.
- MB adopted a revised Management Board Decision on internal whistleblowing.

Conclusions:

- Not applicable

Action points:

- Not applicable

Written Procedure: Not applicable

Frankfurt am Main

[Signed]

Gabriel Bernardino

Chairperson of EIOPA