
66TH MANAGEMENT BOARD MEETING VIA VIDEOCONFERENCE

DATE: 03 NOVEMBER 2022 10:00-14:30

LOCATION: VIDEOCONFERENCE

FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE ACTING CHAIRPERSON

1. The Chairperson welcomed the attendees to the 66th meeting of EIOPA's Management Board (MB).

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

2. The MB adopted the agenda by consensus.

CONCLUSIONS AND ACTION POINTS

3. The Chairperson concluded that there is no MB Member that has an interest that could be considered prejudicial to their independence with regard to any item of the adopted agenda following declaration by all MB Members of absence of any such interests.

AGENDA ITEM 2: UPDATE BY THE CHAIRPERSON, EXECUTIVE DIRECTOR AND THE EUROPEAN COMMISSION

UPDATES BY THE CHAIRPERSON

4. The Chairperson updated the MB Members on the following topics:

MEMBERSHIP UPDATES

5. A new Alternate to Ms Ann Viljugrein, Member of the Board of Supervisors, was appointed. Ms Thea Birkeland Kloster, Head of section Analysis and reporting and Deputy Head of Digitalisation and Analysis Department at Finanstilsynet, Norway is replacing Ms Brita Daae Hrenovica who has left the Authority.

MARKET DEVELOPMENTS

6. In the recent context of the macroeconomic developments, the inflation continues to increase forcing higher interest rate expectations. The annual inflation rate for September for the euro area went up to 9.9% with energy being its key component amounting to almost half of this figure.
7. The developments observed in UK are closely monitored by EIOPA both in terms of UK market developments and from the perspective of potential spill-over effects on the EU market.

PUBLIC HEARING BEFORE THE ECON COMMITTEE (EUROPEAN PARLIAMENT)

8. On 24 October 2022, the ESAs' Chairpersons were invited to their regular public hearing in the ECON Committee of the European Parliament. EIOPA's Chairperson spoke in her capacity of Chair of the ESA Joint Committee (JC) and Chairperson of EIOPA.
9. In her introductory statement, the Chairperson underlined the vital role that the insurance and pensions sectors play in the sustainability of Europe's society and economy. She also highlighted some of EIOPA's key achievements from the past year, including in the areas of sustainability, digitalisation and consumer protection, as well as touching on challenges and upcoming priorities.

JOINT COMMITTEE

10. The ESA JC held a virtual meeting on 6 October 2022. Members and observers exchanged views on recent market developments, emerging risks and possible policy responses.
11. The Members also discussed the applications for the position of the Chair of the ESA JC Sub-Committee on Digital Operational Resilience (JC SC DOR). Mr Gerry Cross, Director of Financial Regulation Policy and Risk, Central Bank of Ireland, will lead the work of the JC SC DOR.

IAIS ACTIVITIES: UPDATES

12. The IAIS Insurance Capital Standard and Comparability Task Force (ICS TF) met on 7 October and decided to propose a delay of the decision on the detailed comparability criteria from Q4 2022 to Q1 2023. The Executive Committee (ExCo) subsequently approved this recommendation.

UPDATES BY THE EXECUTIVE DIRECTOR (ED)

13. The ED updated the MB Members on the following topics:

FINANCIAL SERVICES COMMITTEE

14. The Financial Services Committee (FSC) held a meeting on 5 October where EIOPA presented its "Thematic Review of Credit Protection Insurance (CPI) sold via banks" and related Warning to insurers and banks acting as insurance intermediaries. In addition, EIOPA presented its equivalence monitoring activities, and provided an overview of equivalence decisions under Solvency II, as well as planned activities for 2022-2023.

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15. Moreover, the FSC received a presentation on the European Central Bank (ECB)-European Single Resolution Board (ESRB) report “The macroprudential challenge of climate change”, to which EIOPA had also contributed, and discussed the ESRB “Report on vulnerabilities in the EU commercial real estate sector”.

UPDATE ON STAKEHOLDER GROUPS (SHG) MEETINGS

16. The last meeting of the Insurance and Reinsurance Stakeholder Group (IRSG) took place on 25 October 2022 at EIOPA premises.
17. The meeting was led by the newly elected IRSG Chair Mr Paul Fox (Finance Watch). Ms Michaela Koller, the previous Chair, took over the position of IRSG Vice-Chair.
18. The discussion revolved around the following topics: protection gaps, Artificial Intelligence Act (AIA), the Call for Advice (CfA) on greenwashing and EIOPA presented its consumer trends report.
19. The IRSG Vice-Chair introduced the topic on the “right to be forgotten” and EIOPA presented the outline of the methodological principles for insurance stress test and the specific cyber component. An overview of the IRSG advice to EIOPA on the “differential pricing practices in non-life business” was presented at the meeting.
20. EIOPA presented its consumer trends report, the work on the Call for Evidence (CfE) on greenwashing and on the cyber component of the methodology to conduct stress test.

DG REFORM

21. The launch event of the EU Supervisory Digital Finance Academy took place in Florence on 24 October 2022.
22. EIOPA started to provide technical assistance to i) Ireland, on transitioning towards forward-looking IORP supervision as of June (project supposed to last 16 months); ii) Hungary, on insurance conduct of business supervisions as of end September (project supposed to last 18 months).

BUDGET - SYNERGIES

23. EIOPA has made significant steps to achieve strategic, long-term collaboration goals with EBA and ESMA in the area of information technology. All three ESAs have agreed on common vendors which are expected to create significant efficiency gains by sharing resources.

RECRUITMENT – HEAD OF CONSUMER PROTECTION DEPARTMENT

24. The campaign for the recruitment of the Head of Consumer Protection Department has been successful and EIOPA is currently running the final stage of the selection process.

UPDATE BY THE EUROPEAN COMMISSION (COM)

25. The COM representative informed the MB Members on the following business files:

MARKET DEVELOPMENTS

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26. Following request from the Commissioner Mairead McGuinness a letter was submitted to EIOPA in reference to the UK pension funds on assessing whether similar scenarios could materialize in EU.

SOLVENCY II

27. Negotiations are ongoing in the EU Parliament (EP). A meeting of the shadow rapporteurs took place at the end of October 2022.
28. The finalisation in EP is scheduled towards the end of 2022 and a first triologue is expected to take place under the Swedish Council Presidency in 2023.

SUSTAINABLE FINANCE: EVENTS

29. COM is organising a series of virtual events in the framework of the UN Climate Change Conference (COP27), which is taking place between 7 and 18 November in Sharm el-Sheikh, Egypt. A Panel discussion on contribution of financial actors to sustainable solution will take place.
30. In collaboration with the Directorate-General for Climate Action (DG CLIMA) a Climate Resilience Dialogue is organised. The role of the Dialogue is to strengthen the understanding between insurers, reinsurers, policymakers and other stakeholders with the objective of closing the climate protection gap, including inter alia by increasing insurance coverage. The opening event will take place on 29 November 2022 and will be attended by EIOPA's Chairperson and Commissioner Frans Timmermans and Commissioner Mairead McGuinness will also be present at the event.

ARTIFICIAL INTELLIGENCE ACT

31. While an earlier version of the Council compromise text on the Artificial Intelligence Act excluded insurance from the list of AI systems identified as high-risk – likewise in the Commission's proposal – the latest text prepared by the Czech Presidency of the Council includes life and health insurance use cases in the high-risk list. There is political willingness to move forward.

INITIATIVE ON THE RIGHT TO BE FORGOTTEN

32. This initiative is part of the Europe's Beating Cancer Plan with DG SANTE in the lead.
33. Parliamentary amendments were introduced in the triologue in the Consumer Credit Directive (CCD) searching to include a prohibition to take into account the information related to the health situation of cancer patient in remission, ensuring accessibility to insurance.
34. COM will follow closely the matter as initially inclined to deal with the matter via a non-legislative code of conduct.

CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE (CSDD)

35. In February 2022, the EC proposed a CSDD which introduces an environmental and human rights due diligence duty for financial and non-financial companies within scope of the

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directive. It also proposes transition plan requirements for larger companies in scope and duties for the directors of the EU companies covered.

36. Discussions are taking place in the department for justice (DG JUST) of COM.

DECISION

37. Not applicable.

CONCLUSIONS AND ACTION POINTS

38. Not applicable.

AGENDA ITEM 3: STRATEGIC OUTLOOK FOR INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS)

39. The Chairperson introduced the topic and highlighted the importance of appropriate European representation at IAIS to support the achievement of EU's objectives.

40. MB Members exchanged views on the areas where priority should be given, taking into account the EU strategic priorities.

DECISION

41. Not applicable.

CONCLUSIONS AND ACTION POINTS

42. MB welcomed the discussion and supported future exchanges and early coordination on the topic.

AGENDA ITEM 4: UPDATED SINGLE PROGRAMMING DOCUMENT 2023-2025

43. The ED introduced the updated Single Programming Document (SPD) 2023-2025. EIOPA has taken the opportunity to update the previous version of the SPD with regards to external influencing factors described in the general context, updated efficiency gains initiatives and an annex that includes the calendar of data requests for 2023. The 2023 Annual Work Programme (AWP) has also been complemented now with the mandates of the working groups (Steering Committees, Committees and Task Forces).

44. The MB made some proposals for improvements, notably regarding the National Competent Authorities (NCAs) resource impact estimations towards a more use-friendly formatting and the presentation of the calendar of data requests to include the tentative involvement of the industry where needed.

DECISION

45. Not applicable.

CONCLUSIONS AND ACTION POINTS

46. MB welcomed the 'Updated SPD 2023-2025 (EIOPA-MB-22-107)' and made some proposals for improvement with regards to the NCAs resource impact estimations and presentation of the calendar of data requests going forward.
47. EIOPA to submit the document to the November BoS meeting for discussion.

AGENDA ITEM 5: DRAFT SINGLE PROGRAMMING DOCUMENT 2024-2026

48. The ED introduced the Draft SPD 2024-2026. Following the discussion in the BoS meeting on 29 September, EIOPA updated the document to include comprehensive information on EIOPA's multi-annual resource programming and workload outlook, a detailed AWP 2024 and updated annexes.

DECISION

49. Non applicable.

CONCLUSIONS AND ACTION POINTS

50. MB welcomed the 'Draft SPD 2023-2025 (EIOPA-MB-22-109)'.
51. EIOPA to submit the document to the November BoS meeting for discussion.

AGENDA ITEM 6: QCC REVIEW 2023:SELECTION OF THE REVIEW TOPICS

52. The Chair of the EIOPA Quality Control Committee (QCC) informed about the proposals received from the BoS for the QCC review topic for 2023 and presented a shortlist of 3 topics, as proposed by the QCC.
53. When deciding on the final topic it should be ensured that there is no overlap with other work streams and audits from the Internal Audit Service of the COM, the entrusted entity to act as internal auditor for EIOPA.
54. MB discussed the QCC proposal and selected as review theme for 2023 the "Preparations of BoS-meetings, meeting modalities (in person / hybrid) and the functioning of written procedures.
55. The other, non-selected, proposals from the QCC i.e. "Efficiency and proportionality in collection of information by EIOPA from NCAs" and "Oversight activities, with focus on a set of oversight tools" can be addressed via a different way and should be kept on the list of possible review topics for 2024.

DECISION

56. MB decided, by simple majority, to propose to the BoS for discussion the following QCC review topic for 2023 topic: "Preparations of BoS-meetings, meeting modalities (in person / hybrid) and the functioning of written procedures".

CONCLUSIONS AND ACTION POINTS

57. QCC Chair to submit the QCC Review Topic for 2023 to the November BoS for discussion.

AGENDA ITEM 7: INTERNAL AUDIT ON EIOPA INTERVENTION MEASURES: AUDIT REPORT AND ACTION PLAN

58. EIOPA Staff presented to the outcome of the audit on Intervention Measures conducted by the Internal Audit Service (IAS) of the COM between 2021 and 2022. The objective of the audit was to assess the adequacy of the design and the effectiveness and efficiency of the management and control systems put in place by EIOPA for the intervention measures process.

DECISION

59. Not applicable

CONCLUSIONS AND ACTION POINTS

60. MB welcomed the Internal Audit Report and Action Plan.

AGENDA ITEM 8: DORA – ESAs JOINT IMPLEMENTATION PLAN

61. EIOPA Staff presented the overview of the implementation plan for the DORA project, highlighting not only the policy deliverables, but also all other initiatives and activities which will impact both ESAs and NCAs activities.
62. EIOPA highlighted the tight timelines envisaged by all deliverables and the overview of the preparatory activities put in place to smoothen and make more efficient the work on the overall project.
63. The Chairperson highlighted that all the preparatory work done so far has been run without any additional resources.
64. MB acknowledged the issue of tight timelines, but nevertheless highlighted the importance of interinstitutional cooperation among all stakeholders identified as core actors by DORA (e.g. ESAs, ECB, ENISA, etc.).
65. With regard to the IT implementations, MB highlighted the importance assigned to leveraging on existing IT systems within the ESAs/NCAs environment, establishing a good dialogue with NCAs to identify already existing, and possibly useful, solutions.

DECISION

66. Not applicable

CONCLUSIONS AND ACTION POINTS

67. MB welcomed the implementation plan provided.

68. MB highlighted the tight timelines involved and the need for sufficient training initiatives for both ESAs and NCAs.
69. EIOPA to work jointly with the other ESAs on the identification of the minimum viable product regarding the project to establish a prioritisation to be followed in case risks arise over the implementation path.

AGENDA ITEM 8: BOS PREPARATION

9.1. Discussion paper: prudential treatment sustainability factors

70. EIOPA Staff introduced the discussion Paper, which implements a step-by-step approach focusing initially on methodologies and data sources, and provided a brief overview of the 3 main areas addressed in the document.
71. MB Members supported the proposed step-by-step approach. Members expressed different views on the challenges posed by the lack of historical information and how to reconcile an evidence-based approach with the use of forward looking modelling.
72. Request for additional clarity on the definitions and legal references used concerning Social objectives, and remarks on the length of the paper and number of questions were made by the Members. Also, clarification on alignment with EBA work and further work regarding data collection and analysis on underwriting risks was pointed out during the discussion.

DECISION

73. Not applicable

CONCLUSIONS AND ACTION POINTS

74. MB supported the paper and its submission to the November BoS meeting for approval.
75. EIOPA to further clarify the points raised on Social objectives and to introduce an Executive Summary.

9.2. Internal Models Overview 2022 (including IM Dashboard and IM Roadmap)

76. EIOPA Staff presented the Internal Models (IM) annual dashboard and the Internal Models Roadmap 2023-2025 (plan for Internal Model activities).
77. In reference to the IM Dashboard, the 2022 edition of the dashboard was improved with new analysis and a new format (word report) and for the IM Roadmap the new approach for the annual Market and Credit Risk comparative study will be to continue performing the annual analysis but only issue a public report every two years. Finally, the EIOPA Staff provided a brief update on the three comparative studies that are underway (Market and Credit Risk, Diversification and Non-Life) which are to be finalised during Q1 of 2023.

DECISION

78. Not applicable

CONCLUSIONS AND ACTION POINTS

79. MB welcomed the work and supported the submission to November BoS for discussion.

9.3. 2022 IORP Stress test: Update

80. The Head of Risk and Financial Stability Department presented an update on progress with the IORP stress test, the key messages and findings. The report is being prepared for a BoS Written Procedure. The comments received during the Written Procedure will also be brought for discussion at the November BoS meeting.

DECISION

81. Not applicable.

CONCLUSIONS AND ACTION POINTS

82. MB supported the presentation, the main messages and the process described.

83. EIOPA to update the presentation with the potential comments received during the written procedure and submit it to November BoS for discussion.

DECISION

84. Not applicable.

CONCLUSIONS AND ACTION POINTS

85. MB supported the presentation, the main messages and the process described.

86. EIOPA to update the presentation with the potential comments received during the written procedure and submit it to November BoS for discussion.

9.4. Decision of the Board of Supervisors on collection of information by EIOPA

87. EIOPA staff presented the impact on timeliness and quality of the BoS Decision (EIOPA-BoS-21-519) to shorten the deadlines for quarterly Solvency II reporting to EIOPA from 20 to 10 days. The analysis shows that the shortened deadline did not result in lower completeness or more corrective resubmissions.

88. Considering this result, it is proposed to revert to original proposal for shorter deadline also for the annual reporting, from 20 to 10 days, starting from year-end 2024.

89. Members also mentioned that the annual reporting is more complex than the quarterly reporting and highlighted the importance to allow for corrective submissions after the deadline if needed.

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DECISION

90. Not applicable.

CONCLUSIONS AND ACTION POINTS

91. MB supported the work and approach and submission to the November BoS meeting for approval.

AGENDA ITEM 10: AOB

92. The Chairperson informed the MB that the next meeting will be in January 2023, and will be a remote meeting.

DECISION

93. Not applicable.

CONCLUSIONS AND ACTION POINTS

94. Not applicable.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 13.09.2022 TO 03.11.2022

MB-2022-12

95. Decision adopting, by consensus, the Minutes of the 65th Management Board meeting.

Participants at the Management Board's meeting via videoconference

03 November 2022

Chairperson: Petra Hielkema

Vice-Chairperson: Peter Braumüller

<u>Country</u>	<u>Member/ Alternate</u>
Czech Republic	[-] / Jiří Kalivoda
France	Patrick Montagner/[-]
Germany	Frank Grund /[-]
Italy	Alberto Corinti /[-]
Netherlands	Else BoS/[-]
Sweden	Åsa Larson /[-]

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>
European Commission	Didier Millerot/[-]

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum
Head of Corporate Support Department	Danny Janssen
Head of Risk and Financial Stability Department	Dimitris Zafeiris