



59TH MANAGEMENT BOARD MEETING VIA VIDEOCONFERENCE

DATE: 8 JUNE 2021 10:00-12:40

LOCATION: N/A

FINAL MINUTES

1. Peter Braumüller, the Vice-Chairperson of EIOPA could not attend the meeting. In accordance with Article 5(10) of the Rules of Procedure of the Management Board, the Members appointed Zuzana Silberová to chair the meeting. Gerlinde Taurer attended the meeting as an Observer for the Vice-Chairperson.

WELCOME AND INTRODUCTORY REMARKS BY THE ACTING CHAIRPERSON

2. The acting Chairperson welcomed the attendees to the fifty-ninth meeting of EIOPA's Management Board (MB).

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

3. The MB adopted the agenda by consensus.

CONCLUSIONS AND ACTION POINTS

4. The acting 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 VICE-CHAIRPERSON, EXECUTIVE DIRECTOR AND THE EUROPEAN COMMISSION

UPDATES BY THE ACTING CHAIRPERSON

5. The Acting Chair informed the MB that further to the decision of the Council to select Petra Hielkema as the preferred candidate for the post of EIOPA's Chairperson, Petra Hielkema was

confirmed as EIOPA's Chairperson by the European Parliament in May. This allowed the Council, on 27 May, to finally approve Petra as EIOPA Chair. It is the expectation that Petra will take up her duties on 1 September.

UPDATES BY THE EXECUTIVE DIRECTOR

FSC UPDATE

6. At the March FSC meeting, EIOPA presented its work on the Taxonomy Regulation. In April, EIOPA updated the FSC on its ongoing work on unit-linked insurance. At the meeting, the FSC discussed a revised version of a memorandum with the United Kingdom. In May, the FSC addressed the EBA's EU-wide sensitivity analysis of climate change. On this occasion, EIOPA mentioned its main findings from its sensitivity assessment of insurance investment portfolio regarding climate-change related transition risks.

BOARD OF APPEAL CASE AGAINST EIOPA

7. The ED informed the MB that on 14 April 2021, the Board of Appeal (BoA) closed the case brought by a private insurance company against EIOPA in unanimously dismissing the appeal against EIOPA's participation in the Romanian Balance Sheet Review (BSR). The BoA accepted and agreed with EIOPA's arguments that EIOPA did not adopt any formal decision which could be subject to the review by the BoA.

UPCOMING RENEWAL PROCESS

8. In view of the mandate of 10 BoA members coming to an end in November 2021, the Commission (COM) has finalised its internal shortlisting process for replacing those outgoing BoA members. COM has prepared a draft list of 24 candidates. Following a formal COM sign-off of this list, expected by the end of June, COM will send it to the three ESAs.
9. Tentative date for sharing the draft shortlist with the MB in September.

JOINT COMMITTEE

10. On 3 June, a Joint Committee meeting took place. As incoming Joint Committee Chair in 2022, EIOPA presented the draft 2022 JC Work Programme. The work for 2022 will focus in particular on the joint Risk Analysis, Single Rulebook (especially in the area of sustainable finance) and on work stemming from the Digital Finance Package (and any possible work stemming from DORA legislative proposal). Equally, work will continue in the areas of securitisation and financial conglomerates. The Joint Committee endorsed the 2022 JC Work Programme subject to any final collection of pending detailed deliverables still to be included. Subsequently, the draft will be sent for comments and approval to all three ESAs' BoSs in view of the submission by end September 2021 to the European Institutions.
11. Finally the Joint Committee exchanged on the draft progress report focusing on the recently concluded consultation process on new empowerments to develop Regulatory Technical Standards (RTS) on Taxonomy Related Product Disclosures. The Joint Committee reiterated the

importance of this work and that the work will continue in the Consumer Protection Sub-Committee.

IMPLEMENTATION OF THE MARCH DECISION OF THE BOARD OF SUPERVISORS REGARDING THE CONCLUSIONS OF THE EUROPEAN OMBUDSMAN (CASE 1564/2020/TE)

12. The ED informed the MB Members that the Board of Supervisors (BoS) approved the revised Rules of Procedure of the BoS. Based on the change, EIOPA will start from now on to disclose qualified majority votes on technical standards and the relevant dissenting reasons if such reasons are provided. The European Ombudsman reviewed EIOPA's proposal and accepted it. The Ombudsman - based on the steps taken by EIOPA - closed the case without further action.

COVID -19: UPDATE

13. On the more organisational aspect, the ED updated the MB Members on the recent developments in respect to COVID-19 and its impact on EIOPA's working arrangements. EIOPA remains in phase 0 (mandatory teleworking regime), targeting the return to office on a voluntary basis as of 1st of July (phase 1) and beginning of phase 2 (a more mandatory return to office in October).
14. The status is re-evaluated regularly and the decision will be taken based COVID-19 incidence in Germany and Frankfurt and the recommendations of the German authorities. EIOPA is targeting November for having its first in-person meeting with the MB and BoS.

2021 ESAS REVIEW - TECHNICAL QUESTIONNAIRE

15. The ED informed the MB Members on the technical questionnaire on the revision of the ESAs regulation to which EIOPA submitted its reply to the Commission on 21 May.
16. The ED highlighted that in view of the Capital Market Union (CMU) objective and to ensure a well-functioning internal market a more centralised supervision at EU level to ensure timely actions would be required in order to address fully the issues arising from cross-border activities aiming at a level playing field especially in view of similar level of policyholder protection throughout the EU.

BUDGET

17. The revised budget, which reflects the work commissioned by COM (DG REFORM) for projects in Greece and Portugal was approved in May 2021. In addition, due to the prolonged COVID situation EIOPA will have this year again budget savings. The savings relate mostly to cancelled missions, reduced meetings, trainings and events costs as well as less childminding expenditure, all amounting approximately to EUR 500,000.
18. EIOPA's intention is to use the savings for essential operational projects (i.e. IT related projects). More information will be provided at a later stage.
19. Following the conclusion of his updates the MB Members inquired on the general well-being of EIOPA staff. The ED reassured the Members that the staff is coping well given the circumstances and productivity is kept high and staff members looking forward to the return to office.

UPDATE BY THE EUROPEAN COMMISSION (COM)

20. The COM representative congratulated EIOPA on the appointment of the new Chairperson and expressing the enthusiasm of continuing the fruitful collaboration under the leadership of the new EIOPA Chairperson.
21. The COM representative informed the MB Members on the following business files:
- Solvency II: COM will publish in Q3 the proposal, tentatively on 7 or 8 September 2021 following the first College Meeting. In view of limited translation capacities on the first instance only the English version will be made available. The September package will be composed of Level I changes and communication on how changes to Level II will be approached. At this juncture, the Level I package will not include a proposal for IGS changes. A separate legal act will be presented on recovery and resolution.
 - Motor Insurance Directive: the Portuguese presidency made substantial effort in making a provisional agreement between the European Council and the European Parliament (EP). The text of the directive is intensively worked on with the intention to publish it by end of June.
 - Sustainable finance initiatives: the renewed sustainable finance strategy and the green bond standards are envisaged to be adopted on 6th of July.
 - Taxonomy, disclosure of delegated acts on taxonomy alignment: COM is assessing the feedback and still envisaging the adoption before end of June. Adoption is envisaged 13 June.
 - ESAs Review: The COM thanked EIOPA for its contribution to the technical questionnaire. COM is currently analyzing the answers with the intention to issue a report by end of 2021.
22. In the follow-up discussions, some MB Members expressed their desire that COM should put forward a legislative proposal on IGS and not to further postpone the file to ensure the same level of policyholder protection throughout the EU. The opinion was echoed also by the EIOPA referring to the recent failure of an undertaking being active cross-border while the local IGS only protects national policyholders.
23. In response the COM expressed that currently the main focus is on recovery. Though no timeline is envisaged for restarting the project on the harmonization, it is still under consideration for a later stage.

DECISION

24. Not applicable.

CONCLUSIONS AND ACTION POINTS

25. Not applicable.

AGENDA ITEM 3: COVID-19: LATEST DEVELOPMENTS

26. The Head of Risks and Financial Stability Department provided an update on the latest development in the context of the ongoing COVID-19 crisis.
27. In the subsequent discussion, the expiration of the ESRB recommendation on dividend distributions was discussed. It was mentioned that EIOPA would decide its stance on the topic at a later stage.
28. Furthermore, a growing concern related to cyber risk was mentioned. In this respect, EIOPA will come to BoS with a proposal on a cyber-sensitivity analysis in the end of this year or early next year. Finally, a potential deteriorating trend in health insurance cannot be seen so far, but it should be monitored.

DECISION

29. Not applicable.

CONCLUSIONS AND ACTION POINTS

30. EIOPA to follow up on the key risks in the context of COVID-19.

AGENDA ITEM 4: QUALITY CONTROL COMMITTEE

4.1. QCC MANDATE 2021

31. The Head of the Corporate Support Department (CSD) replacing the QCC Chair updated the participants on the two remaining possible topics for the QCC mandate 2021 that have been selected for submission to the MB. The floor was opened for discussion and voting.
32. The MB discussed the proposed topics for the QCC review in 2021. From the two shortlisted topics by the QCC, i.e. (1) Lessons learnt from the cooperation and interaction between EIOPA and the NCAs during the Covid-19 pandemic and (2) Processes and infrastructure for sharing and common development of tools for data and risk analysis, the MB concluded that the first one is the preferred option.
33. EIOPA informed the MB that the second topic will be addressed as part of the EIOPA extranet improvements project, as well as through the work of the ITDC.

DECISION

34. The MB selected, by simple majority, “Lessons learnt from the cooperation and interaction between EIOPA and the National Competent Authorities (NCAs) during the Covid-19 pandemic” as the QCC review theme for 2021.

CONCLUSIONS AND ACTION POINTS

35. The QCC to inform the BoS of the selected review theme for 2021.
36. The QCC to implement the review in 2021.

4.2. QCC REVIEW OF THE OPERATIONALITY OF EIOPA'S WEBSITE: RESULTS

37. A staff member of the QCC Chair, Senior Advisor for International and European Affairs at AT-FMA, presented the item on behalf of the QCC Chair. She provided a detailed overview of the QCC Review draft report. A discussion ensued whose main points were:
 - Could the document be made 'lighter' by perhaps choosing a limited number of items to be submitted to the BoS?
 - Could a cost analysis be performed on the improvements suggested, in terms of both finance and resources?
38. The Acting Chairperson recommended that a cost analysis would be performed.
39. The staff member continued by presenting the draft QCC report of the review of EIOPA's website. The findings of the report are based on replies received from NCAs and the members of the Stakeholder Groups to an online survey. The main findings of the report are related to the website, the extranet as well as to more horizontal communication aspects. The report includes a set of recommendations made by the QCC, which are drafted to allow for practical ways of implementing the proposed improvements.
40. The MB welcomed the report and highlighted the importance to prioritise and explore cost-beneficial solutions to address the recommended areas for improvement.

DECISION

41. The MB approved by simple majority the draft report of the review of the operationality of EIOPA's website.

CONCLUSIONS AND ACTION POINTS

42. The QCC to present the report to the BoS for comments.
43. Following the BoS comments, the QCC to subsequently finalise the report and circulate to MB for the final approval.
44. Upon final approval of the report, EIOPA to draft a cost-beneficial action plan to address the recommendations, taking into account whether alternative solutions could achieve an equivalent outcome.

AGENDA ITEM 5: BOS PREPARATION

5.1. CALL FOR ADVICE – CONSULTATION:

45. The Head of Policy Department introduced the call for advice which stems from the Commission's Action Plan on the Capital Markets Union.

46. EIOPA proposes to split its Advice into two, given the different scope of the pension tracking systems (PTS) and pension dashboard. Nevertheless, both Advice have shared issues in relation to principles, data, projections, governance and administration and non-pension assets.

5.1.1. Pensions tracking

47. The Advice includes practices from a Network of 17 practitioners and experts of PTS. The scope of the work is to focus the 'average EU citizen' in the relevant Member States planning to design a PTS. As a minimum, citizens should see projected retirement income and accrued entitlements. The PTS should not contain financial advice but it should prompt users where to find further information and help.
48. The starting point from the front-end of the PTS is how users will behave also considering that a majority of users will not go beyond the landing page. Furthermore, users are likely to understand information presented as a monthly projected amount.
49. The main risk of a PTS is operational. A PTS can either retrieve pension data from the providers as and when needed or store it in a central database. Starting a national PTS from new deserves to think about early connectivity with European Tracking Service.
50. Trust in the national PTS is essential and hence free from any conflict of interest with private / commercial entities. Legislation is likely to be necessary to ensure sufficient pension coverage and also address data issues. A pilot to test these issues can be envisaged.

DECISION

51. Not applicable.

CONCLUSIONS AND ACTION POINTS

52. Overall, the MB welcomed and supported the Draft Technical Advice to the European Commission the Development of Pensions Tracking Systems.
53. EIOPA to submit the Draft Technical Advice to the June BoS meeting for decision.

5.1.1. Pensions dashboard

54. The draft Advice recommends the Commission to develop a live dashboard where EIOPA recommends that the indicators can be drawn from existing databases and reports (most notably the Commission's Ageing Report and Pension Adequacy Report) complemented by basic indicators relating to private pension providers. Much of the data is currently not available at EIOPA, most notably from insurance providers that provide personal and occupation pension products.
55. To create a functioning dashboard, projections will need to be made based on both data that is currently reported to EIOPA and further data that is not – in order to meet the specificities of the CfA, a high level overview of the data needed was supplied in the paper.
56. All members who spoke thanked the project groups for their work on the two draft papers.

57. Some members expressed concern at the increase of data collection that would be required and how this could be difficult in certain specific national systems. The Head of the Policy Department agreed that in order to deliver a dashboard more data would need to be collected and depending on the national specificities, this may be more difficult for some countries rather than for others, but that the paper was in response to the Call for Advice from COM and, as yet, just sets out where the data gaps are. The paper also noted that a lot of the required data is already held by other institutions. An impact assessment is to follow as well and the inclusion of the results from surveys issued to NCAs.
58. There was a brief discussion on how the Mercer CFA Institute Global Pension Index is compiled and the difficulties that this encounters in gathering data.

DECISION

59. Not applicable.

CONCLUSIONS AND ACTION POINTS

60. Overall, the MB welcomed and supported the Draft Technical Advice to the European Commission on the Development of Pension Dashboard.
61. EIOPA to submit the Draft Technical Advice to the June BoS meeting for decision.

5.2. SUPERVISORY STATEMENT ON THE USE OF RISK MITIGATION TECHNIQUES BY INSURANCE AND REINSURANCE UNDERTAKINGS

62. The Head of Supervisory Processes Department introduced the supervisory statement clarifying that the messages on the supervisory concerns that lead to the issuing of the Opinion were kept although the message has been clarified and materiality aspects were taken into consideration following the comments received, as well as other minor amendments. Regarding the examples, considering the risk to deviate the attention only to some examples, EIOPA proposed to delete the Annex while still incorporating the reference to several examples in the body of the Opinion with appropriate caveats. This allows to keep the Opinion more principle based and provide details to supervisors in a more flexible tool. For this reason, the more detailed information on the examples and additional guidance will be included in the Supervisory Handbook.
63. EIOPA informed that the legal form changed from Supervisory Statement into Opinion. Even if the border is thin, EIOPA clarified that Opinions should be used to address divergent practices in areas of the framework where the rules are not concretely defined or leave scope for different implementations. EIOPA also clarified that the implications for the Members are the same since they are both based on article 29 of EIOPA Regulation and therefore do not require a comply or explain process.
64. It was suggested to clarify the description of Option 2 in the Impact Assessment and to explain to BoS the reasons to change from Supervisory Statement to Opinion and the MB agreed on both suggestions.

FINAL MINUTES

65. Furthermore, it was asked about interactions with the Supervisory Statement on the Solvency II recognition of schemes based on reinsurance with regard to COVID-19 and credit insurance. EIOPA clarified that this Opinion should apply to any risk mitigation technique, while the Supervisory Statement on credit insurance is recommending to apply some supervisory flexibility in such extraordinary case. Therefore, this Opinion is not expected to have a material impact on the issue addressed by the Supervisory Statement.

DECISION

66. Not applicable.

CONCLUSIONS AND ACTION POINTS

67. The MB welcomed the document.
68. EIOPA to clarify the description of Option 2 in the Impact Assessment and the reasons to change from Supervisory Statement to Opinion.
69. EIOPA to submit the revised paper to the June BoS meeting for decision.

5.3. CONSULTATION PAPER - AMENDMENTS TO GUIDELINES ON CONTRACT BOUNDARIES AND GUIDELINES ON TECHNICAL PROVISIONS

70. The Head of Supervisory Convergence Unit introduced the topic highlighting in particular how the two issues discussed previously in the BoS were addressed: unbundling and assessment of discernible effect of a 0% interest rate guarantee.
71. It was highlighted the importance of, for the policy issue 2 on the Guidelines on Contract Boundaries, ensuring that it is not possible to arbitrage the regulation through the design of the products.

DECISION

72. Not applicable.

CONCLUSIONS AND ACTION POINTS

73. The MB supported both consultation papers and all the policy options chosen.
74. With regard to policy issue 2 on the Guidelines on Contract Boundaries, EIOPA to ensure that it is not possible to arbitrage the regulation through the design of the products.
75. EIOPA to submit the consultation paper to the June BoS meeting for decision.

6. AOB

DECISION

76. Not applicable.

CONCLUSIONS AND ACTION POINTS

77. EIOPA to consider ways for effective clustering of all ongoing and planned digitalisation work within one work stream and to table a discussion at the BoS either in June or in September.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 12.03.2021 TO 08.06.2021

MB-2021-02

78. Decision adopting by consensus the Minutes of the 58th Management Board Meeting

MB-2021-03

79. Decision adopting by consensus the 2021 Mandate of the Quality Control Committee

MB-2021-04

80. Decision adopting by consensus the Consolidated Annual Activity Report 2020 (CAAR 2020)

MB-2021-05

81. Decision adopting by consensus the Consolidated Annual Activity Report 2020 (CAAR 2020)

Participants at the Management Board's meeting via videoconference

8 June 2021

Vice-Chairperson: Peter Braumüller - excused

<u>Country</u>	<u>Member/Alternate</u>
Czech Republic	Zuzana Silberová /[-]
France	Patrick Montagner /[-]
Italy	Alberto Corinti /[-]
Netherlands	Else Bos /[-]
Spain	Sergio Alvarez /[-]
Sweden	Åsa Larson /[-]

<u>Institution</u>	<u>Non-Voting Member/Alternate</u>
European Commission	Larisa Dragomir

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum
Head of Corporate Support Department	Danny Janssen
Head of Policy Department	Justin Wray
Head of Risk & Financial Stability Department	Dimitris Zafeiris
Head of Supervisory Processes Department	Ana Teresa Moutinho

Other

Expert	Gerlinde Taurer (AT-FMA)
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