

# FOLLOW-UP TO PEER REVIEW ON PRODUCT OVERSIGHT AND GOVERNANCE (POG)

REPORT

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## EXECUTIVE SUMMARY

**POG aims to ensure that insurance products are designed and managed in a customer-centric manner throughout their lifecycle, thereby supporting sound consumer and prudential outcomes.**

Product Oversight and Governance (POG)<sup>1</sup> is a key element of the conduct framework for insurance products with implications for prudential supervision too (e.g. sound governance and risk management). Its purpose is to ensure that products are designed, distributed, monitored and reviewed in a customer-centric way and remain aligned with the needs, objectives and characteristics of the target market throughout their lifecycle. Effective POG is therefore important not only for consumer protection, but also for sound market functioning, confidence in insurance and long-term savings products, and fair competition among manufacturers and distributors. Weak target market identification, insufficient product testing, or ineffective monitoring and review may lead to poorly designed products, low-value products, and mis-selling risks with impact on the sustainability of insurance undertakings' business model. This can lead to consumer detriment and wider reputational harm for the insurance sector.

**Effective supervision of POG requires National Competent Authorities (NCAs) to adopt a risk-based and proportionate approach focused on consumer outcomes and the practical application of POG requirements.** The focus of POG supervision not only assesses whether policies and processes are adequate and effectively applied in practice, taking into account proportionality, but also monitors whether such policies and procedures support good consumer outcomes. This requires NCAs to take a risk-based and proportionate approach, focusing on key phases of the product lifecycle and looking beyond formal compliance to assess how product-related risks are identified, mitigated and followed up in practice.

**This report presents EIOPA's follow-up to the 2023 peer review on POG<sup>2</sup> and assesses NCA progress in implementing the recommended actions.** The report is structured around the five areas of recommended actions identified in the original peer review: organisation and resources of POG supervision, risk-based approach, setting and communicating supervisory expectations, supervisory methodologies and tools, and supervisory activities. For each area, the report summarises the

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<sup>1</sup> [COMMISSION DELEGATED REGULATION \(EU\) 2017/ 2358 - of 21 September 2017 - supplementing Directive \(EU\) 2016/ 97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors](#)

<sup>2</sup> [Peer Review on Product Oversight and Governance \(POG\) – Peer Review Report.](#)

progress identified across NCAs. It also includes individual NCA progress reports setting out the assessment of the recommended actions addressed to each authority.

## MAIN FINDINGS

**Overall, NCAs have strengthened their supervisory frameworks and advanced the maturity of POG supervision, an important step toward more consistent consumer-protection outcomes across the EU, though differences remain.** The follow-up confirms an overall positive trajectory in the maturity of the supervision of POG. While the level of maturity still varies across NCAs, many authorities have significantly strengthened their supervisory frameworks. Progress is particularly visible where NCAs have moved from more general or formal approaches towards more operational, risk-based and product-focused supervision. This positive trajectory is aligned with EIOPA's broader work focused on conduct supervision such as the follow-up to the thematic review on credit protection insurance<sup>3</sup> and EIOPA's 2024<sup>4</sup> and 2025<sup>5</sup> consumer risks heatmaps.

**Table 1: Overview of fulfilment of recommended actions by area**

Area	Fulfilled (%)	Partially fulfilled (%)	Not fulfilled (%)
Organisation and resources of POG supervision	47%	42%	11%
Risk-based approach	76%	14%	10%
Setting and communicating supervisory expectations	65%	22%	13%
Supervisory methodologies and tools	54%	33%	13%
Supervisory activities	65%	22%	13%
<b>Overall</b>	<b>62%</b>	<b>26%</b>	<b>12%</b>

**Many NCAs have significantly advanced their risk-based frameworks, a development that strengthens the ability to prioritise supervisory attention toward areas with the greatest potential for consumer detriment.** The strongest results were observed in the area of risk-based approach, where more than three quarters of recommended actions were fulfilled. This is significant because

<sup>3</sup> [High-level summary of follow-up activities to the Warning to insurers and banks on Credit Protection Insurance \(CPI\) products.](#)

<sup>4</sup> [Consumer Trends Report 2024 - European Insurance and Occupational Pensions Authority.](#)

<sup>5</sup> [Consumer trends in insurance and pensions 2025: Heatmap with key findings - European Insurance and Occupational Pensions Authority.](#)

a structured risk-based framework is essential to ensure that supervisory attention is directed to the products, undertakings and practices most likely to generate consumer detriment. The follow-up shows that many NCAs now rely on more developed conduct risk assessment frameworks, combining product-specific and undertaking-specific analysis and making greater use of quantitative and qualitative indicators, dashboards, market screening tools and value-for-money methodologies.

**NCAs have made notable improvements in articulating supervisory expectations and conducting supervisory work, a shift that enhances both transparency to the market and the effectiveness of outcome-oriented supervision.** Strong progress was also observed in the areas of setting and communicating supervisory expectations and supervisory activities, where around two thirds of recommended actions were fulfilled. This is important because effective POG supervision depends not only on internal supervisory capacity, but also on clear communication to the market and on concrete supervisory action in practice. Many NCAs have developed more explicit supervisory expectations, often through formal broad market communications (e.g. guidance, recommendations and supervisory statements) and market engagement. In parallel, supervisory activities in the area of POG have become more systematic and outcome-oriented, with greater use of off-site analysis, thematic reviews, questionnaires, product-focused assessments and on-site inspections. In several cases, this has led to concrete remedial outcomes, including product changes, cost reductions or product withdrawals.

**Progress in supervisory methodologies and organisational arrangements is notable but more uneven, reflecting the complexity and time required to embed these elements effectively in practice.** A number of NCAs have developed internal manuals, procedures, checklists, templates and IT-supported tools to guide supervisors in assessing POG requirements in practice. Others have clarified internal responsibilities, embedded POG more explicitly in supervisory structures and strategies, or strengthened staffing and expertise. These developments contribute to a more consistent, operational and effective approach to POG supervision. However, these two areas also account for a relatively large share of partially fulfilled recommended actions, as many NCAs are still in the process of consolidating internal arrangements, formalising methodologies and ensuring sufficient operational embedding. Such progress often takes longer to materialise, as changes in organisational structures and resourcing typically require time to design, formalise and implement, including where this involves internal reorganisation or the recruitment of staff with the necessary expertise.

**Remaining gaps are concentrated in a limited number of NCAs and relate mainly to cases where supervisory frameworks are still under development, internal guidance remains too high-level or not yet formally approved, or the practical implementation of supervisory tools has not yet been fully evidenced.** In a number of cases, NCAs have relied on broader conduct or prudential frameworks without yet translating them into sufficiently specific POG supervision. In others,

proportionality considerations linked to market size or product relevance have limited the scope of implementation. While proportionality remains an important supervisory principle, the follow-up provided the chance to remind the need for an effective and appropriately tailored supervisory approach to POG in order to properly address future risks.

**The follow-up exercise confirms a clear strengthening of POG supervision, while also showing that supervisory convergence remains a work in progress.** Many NCAs have developed their supervisory frameworks, tools and practices. At the same time, the follow-up exercise also shows that supervisory convergence in this area remains a work in progress. Continued efforts will be needed, particularly in those jurisdictions where frameworks still need to be completed, more firmly embedded or translated into regular supervisory practice. The overall direction, however, is positive and points to a more mature, structured and outcome-oriented approach to POG supervision.

# 1. INTRODUCTION

**The 2023 peer review assessed the maturity of Product Oversight and Governance<sup>6</sup> (POG) supervisory frameworks and identified areas for improvement across National Competent Authorities (NCAs).** On 20 July 2023, EIOPA published the results of a peer review on POG. The peer review assessed the overall maturity of the supervisory frameworks developed by NCAs for the supervision of POG requirements as applied by insurance manufacturers, with a particular focus on Insurance-Based Investment Products (IBIPs). It identified gaps, areas for improvement and recommended actions aimed at strengthening consistency and effectiveness in supervisory outcomes.

**This report assesses how NCAs have implemented the recommended actions from the 2023 peer review.** It assesses the adequacy and effectiveness of the implementation measures taken in response to those recommended actions and presents the progress identified across the five areas of recommended actions covered by the peer review: organisation and resources of POG supervision, risk-based approach, setting and communicating supervisory expectations, supervisory methodologies and tools, and supervisory activities.

**Follow-up to peer reviews is a core element of EIOPA's mandate to foster supervisory convergence.** Following up on peer reviews, and more specifically assessing the adequacy and effectiveness of the implementation measures enacted to address the recommended actions set out in the peer review report, is an integral part of EIOPA's role as it fosters supervisory convergence. According to Article 30(6) of the EIOPA Regulation, "the Authority shall undertake a follow-up report two years after the publication of the peer review report".

## 1.1. METHODOLOGY

**The follow-up review was conducted under EIOPA's peer review framework, with governance arrangements designed to ensure consistency, transparency and robustness.** The follow-up review was conducted in accordance with Article 30(6) of the EIOPA Regulation and the Terms of Reference set out in Annex III. Its objective was to assess the adequacy and effectiveness of the implementation measures taken by NCAs in response to the recommended actions issued in the 2023 peer review on POG. The follow-up report was prepared by the ad hoc peer review committee (PRC) and adopted by the Board of Supervisors in accordance with Article 44(4) of the EIOPA

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<sup>6</sup> [Peer Review on Product Oversight and Governance \(POG\) – Peer Review Report.](#)

Regulation. When drafting this report, the PRC consulted the Management Board to maintain consistency with other follow-up reports

**The follow-up assessment relied on a structured information-gathering process to ensure a consistent and evidence-based evaluation of NCA progress.** NCAs to which recommended actions had been addressed were invited to submit progress reports using a common reporting template. The information provided by NCAs was supported, where relevant, by documentary evidence such as internal procedures, supervisory guidance, manuals, templates, supervisory tools and examples of supervisory work. The PRC reviewed the material submitted by NCAs against the expectations set out in the original peer review report and the evaluation criteria included in Annex IV. Where necessary, the PRC sought further clarification through follow-up questions and additional exchanges with the relevant NCAs.

**The assessment was carried out by an expert PRC using a consistent, criteria-based process.** The PRC applied a consistent and criteria-based approach in order to ensure fair and objective assessments across NCAs. Draft conclusions were discussed and validated within the PRC before being reflected in this report. The report presents key findings by area of recommended action and includes individual NCA progress reports on the implementation of the recommended actions addressed to each authority. The follow-up was conducted by the ad hoc PRC, chaired by an EIOPA staff member. The PRC was composed of experts from Austria, Italy and Slovakia and EIOPA with knowledge and experience in conduct of business supervision and supervisory practices related to POG.

## 2. SCOPE, REFERENCE PERIOD, AND EVALUATION CRITERIA

**The follow-up assesses the progress made by NCAs in implementing the recommended actions issued in the 2023 peer review on POG supervision of IBIPs.** The original peer review focused on how NCAs supervise POG requirements and their application in practice in relation to Insurance-Based Investment Products (IBIPs). The focus on IBIPs provided an important benchmark for assessing whether supervisory approaches were sufficiently robust for more complex life insurance products. The scope of the original peer review was limited to the supervision of POG at the product manufacturer's level; the supervision of POG regarding insurance intermediaries was not included in scope.

**The follow-up covers five core areas of POG supervision identified in the original peer review.** Accordingly, this follow-up focuses on whether NCAs have addressed the recommended actions relating to the following five areas:

- ▶ Organisation and resources of POG supervision;
- ▶ Risk-based approach;
- ▶ Setting and communicating supervisory expectations;
- ▶ Supervisory methodologies and tools; and
- ▶ Supervisory activities.

**The assessment examines both the measures adopted by NCAs and the extent to which these have been embedded in supervisory practice.** For each of these areas, the follow-up considered whether the measures taken by NCAs addressed the expectations set out in the original peer review and were sufficiently embedded in supervisory practice.

**The reference period (August 2023 to June 2025) was designed to allow sufficient time for implementation while ensuring timely supervisory follow-up.** The reference period for this follow-up review spans from August 2023 to June 2025. All actions taken by NCAs within this timeframe were considered eligible for assessment. As reflected in the Terms of Reference, the reference period was chosen to allow sufficient time for NCAs to develop and implement the necessary changes, while also ensuring timely feedback and accountability within the supervisory convergence cycle. Improvements implemented after the reference period may be relevant background, but they were not taken into account for the purposes of the assessment.

**The evaluation criteria focus on whether implementation measures were both adequate and effectively embedded in supervisory frameworks and operational practice.** The evaluation criteria applied in this follow-up are based on those used during the initial peer review and are further detailed in Annex IV of this report. They reflect the supervisory expectations developed for the original peer review. In line with the approach followed in the original peer review, the assessment considered not only whether actions had been taken, but also whether these were sufficiently embedded in the NCA's supervisory framework and operational practice.

**Recommended actions were assessed individually using a proportionate and risk-based grading framework based on three assessment categories.** The following grading scheme was applied:

- ▶ **Fulfilled** – where the NCA has taken sufficient and well-documented actions meeting the expectations set out in the recommended action;
- ▶ **Partially fulfilled** – where the NCA has taken some steps, but additional action is still needed; and
- ▶ **Not fulfilled** – where the NCA has not taken sufficient action to address the substance of the recommended action.

### 3. PROGRESS IDENTIFIED PER AREA OF RECOMMENDED ACTIONS

**Most recommended actions were fulfilled, indicating substantial progress by NCAs in strengthening POG supervision since the 2023 peer review.** In total, 110 recommended actions were addressed to 30 NCAs. Of these, 68 (62%) were assessed as fulfilled, 29 (26%) as partially fulfilled and 13 (12%) as not fulfilled.

**Implementation progress was strongest in the area of risk-based supervision, while organisational and methodological reforms generally required more time to operationalise fully.** Progress was visible across all five areas of recommended actions, although the degree of implementation varies. The strongest results were observed in the area of risk-based approach, where more than three quarters of the recommended actions were fulfilled. Strong progress was also observed in the areas of setting and communicating supervisory expectations and supervisory activities, where around two thirds of the recommended actions were fulfilled. Progress in the areas of supervisory methodologies and tools and organisation and resources of POG supervision is also significant, although more uneven. These two areas often require more time to implement fully, as they may involve internal reorganisation, the development and formalisation of internal procedures and guidance, or the strengthening of resources and expertise. In many cases, important steps have already been taken, but further work is still needed to ensure that the relevant measures are fully embedded in supervisory practice.

**Table 2: Overview of fulfilment of recommended actions by area**

Area	Fulfilled (%)	Partially fulfilled (%)	Not fulfilled (%)	Total
Organisation and resources of POG supervision	9 (47%)	8 (42%)	2 (11%)	19 (17%)
Risk-based approach	16 (76%)	3 (14%)	2 (10%)	21 (19%)
Setting and communicating supervisory expectations	15 (65%)	5 (22%)	3 (13%)	23 (21%)
Supervisory methodologies and tools	13 (54%)	8 (33%)	3 (13%)	24 (22%)

Area	Fulfilled (%)	Partially fulfilled (%)	Not fulfilled (%)	Total
Supervisory activities	15 (65%)	5 (22%)	3 (13%)	23 (21%)
	<b>62%</b>	<b>26%</b>	<b>12%</b>	<b>110</b>

The follow-up also shows differences in the degree of implementation across NCAs. These differences should be seen in light of the number of recommended actions addressed to each authority, which ranged from one to five, as well as the different starting points, market characteristics and supervisory frameworks across jurisdictions. The results indicate that a large number of NCAs have made strong progress. Fourteen NCAs fulfilled all recommended actions addressed to them, while seven NCAs fulfilled at least half of the recommended actions. By contrast, seven NCAs did not fulfil or only partially fulfilled at least half of the recommended actions addressed to them, and two NCAs did not fulfil any recommended actions.

**Table 3: Overview of fulfilment of recommended actions per NCA**

	Number of NCAs	NCAs (number of recommended actions)
Fulfilled all recommended actions	14	AT (5), BE (1), CZ (2), DE (5), EL (4), FR (1), IE (1), IT (1) LI (3), LV (4), MT (1), NL (1), PL (2), RO (3)
Fulfilled at least half of the recommended actions <sup>1</sup>	7	BG (4/5), DK (3/5), EE (4/5), LU (3/5), PT (4/5), SI (4/5), SK (3/5)
Did not fulfil or only partially fulfilled at least half of the recommended actions <sup>2</sup>	7	ES (5/5), FI (4/5), HR (2/3), HU (3/5), IS (4/5), LT (3/5), NO (3/5)
Did not fulfil all recommended actions	2	CY (5), SE (3)

1 – Number of recommended actions fulfilled / number of recommended actions issued.

2 – Number of recommended actions not fulfilled or partially fulfilled / number of recommended actions issued.

**Partially fulfilled recommended actions often reflect ongoing implementation efforts, while not fulfilled recommended actions are concentrated in a limited number of NCAs.** While partially fulfilled recommended actions are spread across a broader group of NCAs, they often reflect cases

where meaningful steps have already been taken but where additional work is still needed to complete, formalise or fully operationalise the measures concerned. This is particularly visible in areas requiring changes to organisation and resources of POG supervision and supervisory methodologies and tools. By contrast, the not fulfilled recommended actions are concentrated in a relatively small number of NCAs. Out of the 13 not fulfilled recommended actions, 10 are concentrated in three NCAs. This suggests that the remaining gaps are not widespread across the supervisory community, but are instead mainly linked to a limited number of jurisdictions where implementation is still at an earlier stage or where supervisory frameworks remain insufficiently developed or embedded.

### 3.1 ORGANISATION AND RESOURCES OF POG SUPERVISION

**Effective POG supervision requires NCAs to have structured supervisory frameworks, clear organisational arrangements and resources proportionate to the risks supervised.** The Peer review report clarified that NCAs are expected to have in place a comprehensive framework to capture product-related conduct signals and identify which products may require closer monitoring from a POG perspective. They are also expected to define clear purposes and objectives for POG supervision, in line with their broader conduct of business supervision strategy. This should be supported by internal procedures, organisational arrangements and practical guidance so that POG supervision is embedded in day-to-day supervisory work. NCAs are further expected to allocate adequate human and financial resources with the necessary skills, knowledge and expertise. These arrangements should be proportionate to the characteristics of the domestic insurance market and to the nature, scale and complexity of the relevant products and business models.

**The 2023 peer review identified weaknesses in the strategic embedding and resourcing for POG supervision across many NCAs.** At that time, while some NCAs had already incorporated POG into their supervisory approach, in a large number of NCAs POG supervision was not reflected in supervisory strategy or priorities and was not structurally embedded in ongoing supervision. The report also showed that some NCAs faced challenges in allocating experienced resources to POG supervision.

**The recommended action on organisation and resources was issued to 19 NCAs, with around half assessed as fulfilled.** This recommended action was issued to 19 NCAs (AT, BG, CY, DE, DK, EE, EL, ES, FI, HR, HU, IS, LI, LT, LU, NO, PT, SI and SK). Based on the follow-up assessment, 9 NCAs fulfilled the recommended action (AT, BG, DE, DK, EL, LI, NO, PT and SI), 8 NCAs partially fulfilled it (EE, ES, FI, HR, HU, LT, LU and SK), and 2 NCAs did not fulfil it (CY and IS).

**The follow-up shows clear progress, with fulfilled cases demonstrating stronger strategic embedding, clearer responsibilities and more structured internal frameworks for POG**

**supervision.** In the fulfilled cases, NCAs generally strengthened the organisational basis for POG supervision by embedding it more explicitly into their supervisory strategy and ongoing conduct supervision. They also clarified internal responsibilities and adopted more structured internal frameworks, policies or manuals for POG supervision. This can be observed, for example, in AT, BG, DE, DK, EL, LI, NO, PT and SI.

**Progress in fulfilled cases also reflected more developed organisational arrangements and resourcing models adapted to national market characteristics.** Some NCAs established dedicated units or teams for conduct or POG supervision, while others formalised cooperation across conduct, prudential and specialist functions. Several NCAs also reinforced staff capability through multidisciplinary teams, training or targeted knowledge-sharing. In some cases, resourcing was increased; in others, the existing set-up was considered proportionate given the limited size or lower complexity of the domestic IBIPs market.

**Partially fulfilled cases also show meaningful progress, although important elements still need to be completed, formalised or made operational in practice.** A number of NCAs took meaningful steps to strengthen POG supervision by developing internal documentation, embedding POG more clearly in supervisory planning or broader conduct frameworks, clarifying internal responsibilities, or increasing capacity and expertise. This can be observed, for example, in EE, FI, HR, HU, LT, LU and SK. However, these cases were assessed as only partially fulfilled because important elements remained incomplete. In particular, internal frameworks were sometimes still too high-level or cross-cutting, rather than amounting to a clearly articulated POG supervision strategy; key internal instructions or manuals were still under preparation or awaiting formal approval; or resourcing and organisational arrangements were not yet sufficiently stable, defined or operational in practice. In some cases, planned organisational changes also fell outside the reference period and their practical impact could therefore not yet be evidenced.

**Overall, NCAs have made progress towards a more mature organisational basis for POG supervision, but further embedding remains necessary in some jurisdictions.** Nevertheless, the remaining partially fulfilled and above all the not fulfilled cases show that further efforts are still needed in some jurisdictions to ensure that POG supervision is fully embedded in supervisory strategy and day-to-day work, and that resources and organisational arrangements are sufficiently defined and proportionate to the risks to be supervised.

## 3.2 RISK-BASED APPROACH

**A risk-based approach to POG supervision requires NCAs to identify product and undertaking-level risks and use them to prioritise supervisory action.** The Peer review report clarified that NCAs are expected to have in place a systematic and effective risk-based and proportionate framework

for conduct supervision that fully incorporates POG requirements. Such a framework should bring together both product-specific and undertaking-specific risk assessments, supported by a combination of quantitative and qualitative measures, to enable the identification of risks impacting consumers and the prioritisation of supervisory action. It should also be embedded in the authority's supervisory strategy and support the identification and monitoring of product risks, as well as undesired and good consumer outcomes.

**Several NCAs still lacked a sufficiently operational risk-based framework for POG supervision, with weaknesses in product-level analysis, indicators and supervisory prioritisation.** The 2023 peer review report found that several NCAs did not yet have a sufficiently structured and operational approach to conduct supervision fully incorporating POG requirements. In particular, limitations were identified in the use of product-level analysis, in the combination of quantitative and qualitative indicators, and in the link between risk identification and supervisory prioritisation. More generally, the findings pointed to challenges in translating the risk-based approach into a fully operational supervisory framework. In addition, only limited progress was observed in the definition and monitoring of consumer outcomes.

**The recommended action on the risk-based approach shows the strongest level of fulfilment across all areas assessed.** This recommended action was issued to 21 NCAs: AT, BG, CY, DE, DK, EE, ES, FI, FR, HR, HU, IS, LT, LU, LV, NL, NO, PT, SI, SK and EL. Based on the follow-up assessment, 16 NCAs fulfilled the recommended action (AT, BG, DE, EE, EL, FI, FR, HR, HU, LT, LU, LV, NL, PT, SI and SK), 3 NCAs partially fulfilled it (DK, IS and NO), and 2 NCAs did not fulfil it (CY and ES).

**Most NCAs moved towards more structured, forward-looking framework for conduct supervision that better integrate POG into supervisory planning.** The follow-up shows clear progress in this area, with most NCAs having developed more structured and operational approaches incorporating POG requirements. In the fulfilled cases, implementation typically involved the introduction or refinement of documented conduct risk assessment frameworks, embedding POG considerations into the supervisory cycle and strengthening the link between risk identification and supervisory planning. These developments indicate a move away from more reactive or ad hoc supervisory practices towards a more systematic and forward-looking approach, including a clearer prioritisation of supervisory resources towards areas presenting higher risks of consumer detriment.

**Fulfilled cases commonly combine product-specific and undertaking-specific risk assessments with both quantitative and qualitative indicators.** A common feature among the fulfilled NCAs is the use of frameworks combining product-specific and undertaking-specific assessments, supported by a mix of quantitative and qualitative indicators. These typically include Solvency II data, complaints, PRIIPs KIDs, commissions, lapse or surrender data and value-for-money indicators, complemented by qualitative inputs such as supervisory judgement, market intelligence and

stakeholder feedback. In several cases, these frameworks also incorporate product lifecycle considerations, allowing for a more comprehensive identification of potential consumer detriment. This can be observed, for example, in AT, DE and EL, reflecting a more holistic approach to risk identification across the product lifecycle.

**Structured tools are increasingly used to translate risk assessments into supervisory prioritisation and follow-up.** Several NCAs developed scoring models, risk categorisation approaches, dashboards or benchmarking tools to identify outliers and support supervisory decision-making. In these cases, risk assessment outputs are clearly linked to supervisory planning, including annual work programmes, thematic reviews, on-site inspections and targeted follow-up actions. Examples include FR, NL, PT and SK, where such tools help ensure greater consistency and transparency in supervisory decision-making.

**Market-wide screening and analytical tools are also supporting earlier detection of product-related risks.** In a number of jurisdictions this includes the use of value-for-money methodologies or PRIIPs KID analysis to identify outliers and trigger more in-depth supervisory engagement. This was the case, for example, in LU, LT and FI. In addition, several NCAs rely on multi-source monitoring, including complaints, surveys and other market intelligence, to identify emerging risks and support early supervisory intervention. This approach can be observed in EE and EL and supports a more proactive supervisory stance.

**Consumer outcomes are receiving greater attention, but their systematic definition and monitoring remain less developed.** Several authorities incorporate indicators that can serve as proxies for consumer detriment, but fewer NCAs have developed explicit frameworks defining undesired consumer outcomes or systematically assessing whether undertakings have their own notion of good consumer outcomes. Further development in this area would strengthen the link between risk assessment and consumer outcomes and enhance the effectiveness of supervisory prioritisation.

**Risk-based POG supervision has become more systematic and operational, but further efforts are needed to fully embed product-level analysis and risk-based prioritisation in some jurisdictions.** The follow-up indicates a more systematic and operational approach to POG supervision, with improved integration of product-specific analysis and stronger links between risk assessment and supervisory action. Nevertheless, the partially fulfilled and not fulfilled cases (DK, IS, NO, CY and ES) show that further efforts are still needed. In particular, remaining challenges relate to the full operationalisation of frameworks in practice, the consistent use of product-level analysis, and the establishment of a clear and documented link between risk assessment outputs and supervisory prioritisation. In some cases, implementation is still at a developmental stage (CY, ES), while in others proportionality considerations linked to market size or product relevance have limited the scope of implementation (IS, NO).

### 3.3 SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

**Effective POG supervision requires NCAs to clearly communicate how POG requirements should be applied and to follow up on whether undertakings apply them in practice.** The Peer review report clarified that NCAs are expected to formulate and communicate to the market a comprehensive set of supervisory expectations covering all elements of the POG requirements applicable to IBIPs. Communication should take place through formal means, such as guidelines, circulars, letters, website publications or other supervisory communications, or through supervisory dialogue. The aim is to clearly establish how POG requirements should be applied in day-to-day business. NCAs are also expected to follow up on these expectations by challenging the effectiveness of undertakings' POG arrangements in practice.

**The 2023 peer review found that several NCAs had not yet translated the principle-based POG framework into sufficiently concrete supervisory expectations.** Only a few NCAs had set and communicated expectations to the market. More generally, the report showed that several NCAs faced difficulties in translating the principle-based POG framework into sufficiently concrete supervisory expectations. This was the case, in particular, in relation to target market identification, product testing, and product monitoring and review

**The recommended action on supervisory expectations was fulfilled by around two thirds of the NCAs to which it was addressed.** This recommended action was issued to 23 NCAs (AT, BG, CY, CZ, DE, DK, EE, ES, FI, HU, IE, IS, LI, LT, LU, LV, NO, PL, PT, RO, SE, SI and SK). Based on the follow-up assessment, 15 NCAs fulfilled the recommended action (AT, CZ, DE, DK, EE, HU, IE, IS, LI, LT, LU, LV, PL, RO and SK), 5 NCAs partially fulfilled it (BG, ES, FI, PT and SI), and 3 NCAs did not fulfil it (CY, NO and SE).

**Most fulfilled cases combined formal market-wide communication of expectations with targeted supervisory engagement.** The follow-up shows clear progress in this area, with a majority of NCAs developing more concrete ways of setting and communicating supervisory expectations to the market and linking those expectations to supervisory follow-up. In the fulfilled cases, implementation typically combined formal market-wide communication with more targeted supervisory engagement. Several NCAs issued or used public guidance, supervisory expectations, recommendations, circulars, information notes, supervisory papers or market letters. These were used to clarify how POG requirements should be applied in practice, including in relation to target market identification, product testing, product monitoring and review, value-for-money and conflicts of interest. This was the case, for example, in AT, CZ, DE, HU, IS, LT, LU, LV and RO.

**Market engagement was also widely used to explain, reinforce and refine supervisory expectations.** Several NCAs relied on questionnaires, self-assessment exercises, thematic reviews, roundtables, workshops, meetings with professional associations or conferences. These were used

to explain supervisory views, identify areas of weak implementation and communicate expectations to the market. In some cases, these exchanges also served to refine or supplement written guidance. Examples of this approach can be seen in CZ, EE, IE, LU, LV and SK.

**Fulfilled cases generally moved beyond communication by testing undertakings' POG arrangements through concrete supervisory follow-up.** NCAs engaged in supervisory follow-up by challenging undertakings' POG arrangements in practice. This was done through thematic reviews, on-site inspections, targeted supervisory letters, entity-specific recommendations, bilateral supervisory dialogue and written follow-up requiring corrective action. In a number of jurisdictions, this follow-up was closely linked to supervisory work on unit-linked or other IBIP products and to value-for-money assessments. These were used to test whether product governance arrangements were delivering appropriate consumer outcomes in practice. This can be observed, in particular, in DE, HU, IE, LT, LV and RO.

**Further efforts are still needed to ensure that supervisory expectations are communicated comprehensively and systematically linked to follow-up measures.** Overall, the follow-up indicates progress in the maturity of POG supervision and a pragmatic, operational approach to the setting and communication of supervisory expectations on POG. Nonetheless, a number of NCAs that only partially fulfilled or did not fulfil the recommended action show that further action is still required. In particular, supervisory expectations need to be communicated more thoroughly and aligned more systematically with follow-up measures.

### 3.4 SUPERVISORY METHODOLOGIES AND TOOLS

**Effective POG supervision requires documented methodologies and practical tools that guide supervisors in assessing POG arrangements consistently across on-site and off-site work.** The Peer review report clarified that NCAs are expected to rely on a range of documented supervisory methodologies and tools. These methodologies and tools should guide supervisors in the assessment of undertakings' POG policies and procedures. They should improve the effectiveness and efficiency of supervisory activity, help supervisors focus on the areas carrying more risk and facilitate the review of key POG stages. NCAs are therefore expected to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. These processes should take into account the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG, while reflecting the specificities of the national IBIPs market and the Authority's wider supervisory framework.

**The 2023 peer review found that supervisory methodologies and tools for POG supervision were still underdeveloped in most NCAs.** Only some NCAs had in place formal supervisory methodologies and tools to ensure that POG arrangements at IBIP manufacturers were adequate. Most NCAs,

however, had not yet fully developed and implemented such methodologies and tools during the reference period. Although many NCAs referred to the Chapter on POG of EIOPA's Supervisory Handbook, only very few were able to provide concrete evidence of its implementation. More generally, the peer review revealed that the majority of NCAs did not have in place well-structured supervisory methodologies and tools to perform POG supervision and support supervisors in their on-site and off-site activities.

**The recommended action on supervisory methodologies and tools was fulfilled by just over half of the NCAs to which it was addressed.** This recommended action was issued to 24 NCAs (AT, BG, CY, CZ, DE, DK, EE, EL, ES, FI, HU, IS, IT, LI, LT, LU, LV, MT, NO, PT, RO, SE, SI and SK). Based on the follow-up assessment, 13 NCAs fulfilled the recommended action (AT, BG, CZ, DE, EE, EL, IT, LI, LV, MT, PT, RO and SI), 8 NCAs partially fulfilled it (DK, FI, HU, IS, LT, LU, NO and SK), and 3 NCAs did not fulfil it (CY, ES and SE).

**Fulfilled cases show that several NCAs have moved from general supervisory references to more structured and operational POG methodologies.** In the fulfilled cases, NCAs generally developed more structured internal supervisory methodologies and tools to assess how POG requirements are applied in practice. These methodologies were typically formalised in internal manuals, supervisory procedures, handbooks or internal rules. They usually covered both on-site and off-site work and were explicitly aligned with the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG. This can be observed, for example, in AT, BG, CZ, EE, EL, IT, LI, LV, MT, PT, RO and SI.

**In several fulfilled cases, internal methodologies were translated into practical tools supporting more consistent and risk-based supervision.** Across the fulfilled cases, NCAs formalised internal methodologies and translated them into practical supervisory tools to support consistent implementation. These included step-by-step procedures, internal checklists, reporting templates, questionnaires, IT platforms, dashboards, data-collection tools and value-for-money tools. In several cases, NCAs also combined those tools with risk-based methodologies that helped identify outliers, prioritise supervisory attention and support more targeted follow-up. This is particularly visible in CZ, DE, EE, IT, LI, LV, MT and RO.

**Partially fulfilled cases generally show meaningful methodological development, but not yet a complete or consistently embedded supervisory framework.** Some NCAs developed important elements of a more structured methodology, such as internal POG policies, questionnaires, inspection tools, manuals for on-site work, product-focused approaches or methodologies linked to value-for-money analysis. This can be seen, for example, in DK, FI, HU, IS, LT, LU, NO and SK. However, these cases remained only partially fulfilled because the methodologies were not yet sufficiently comprehensive, operationalised or formally embedded across both on-site and off-site supervision. In some cases, the framework remained too narrow in scope, focusing mainly on one tool or one

aspect of the product lifecycle. In other cases, the methodology remained too tool-based or case-specific, without a complete end-to-end framework with documented workflows, practical instructions and a coherent set of supervisory tools. In other cases, key manuals or processes were still under development, evolving or awaiting formal approval.

**Further efforts are needed to ensure that supervisory methodologies provide a comprehensive and practical framework for assessing POG requirements in day-to-day supervision.** Overall, the follow-up indicates a more mature and operational approach to supervisory methodologies and tools for POG supervision. Nevertheless, the remaining partially fulfilled and not fulfilled cases show that further efforts are still needed in some jurisdictions. In particular, NCAs still need to ensure that supervisory methodologies are comprehensive, practical and consistently embedded across both on-site and off-site supervision, and that they provide supervisors with a complete framework to assess the full range of POG requirements in practice.

### 3.5 SUPERVISORY ACTIVITIES

**Effective POG supervision requires NCAs to test whether POG arrangements are applied in practice across the product lifecycle and support good consumer outcomes.** The Peer review report clarified that NCAs are expected to carry out supervisory activities to assess whether POG policies and procedures have been developed in a proportionate and adequate manner. Supervisory activities should take into account the relevant circumstances of individual undertakings, such as the nature, scale and complexity of the relevant business and the risks related to IBIPs. Assessing the formal existence of POG policies and processes is not sufficient. NCAs are expected to assess whether these arrangements are effectively applied in the approval, distribution, monitoring and review of new or significantly adapted products, throughout their lifecycle, and whether they support good consumer outcomes. In doing so, NCAs should assess whether IBIP manufacturers have taken due account of the business model, product complexity and target market characteristics. NCAs are expected to check whether manufacturers have appropriately addressed the above-mentioned aspects and to use a range of tools for both off-site and on-site supervision. They are also expected to determine when off-site analyses should be complemented by thematic reviews and on-site inspections.

**The 2023 peer review found that supervisory activities often remained too focused on formal compliance rather than on the effective application of POG requirements in practice.** At that time, supervisory activities in some NCAs needed to be strengthened in scope and effectiveness. More generally, only a few NCAs had a mature and effective approach to POG supervision, while many were still developing their supervisory framework and practical activity on POG.

**The recommended action on supervisory activities was fulfilled by around two thirds of the NCAs to which it was addressed.** This recommended action was issued to 23 NCAs (AT, BE, BG, CY, DE, DK, EE, EL, ES, FI, HR, HU, IS, LT, LU, LV, NO, PL, PT, RO, SE, SI and SK). Based on the follow-up assessment, 15 NCAs fulfilled the recommended action (AT, BE, BG, DE, DK, EE, EL, LU, LV, NO, PL, PT, RO, SI, and SK), 5 NCAs partially fulfilled it (ES, HR, HU, IS, LT), and 3 NCAs did not fulfil it (CY, FI and SE).

**Fulfilled cases show that several NCAs have developed more systematic supervisory programmes covering the main phases of the POG lifecycle.** In the fulfilled cases, NCAs generally implemented more systematic supervisory programmes covering the main phases of the POG lifecycle, including product approval, target market definition, product testing, distribution, monitoring and review. Supervisory activities typically combined off-site analysis, market-wide data collection or questionnaires and targeted on-site inspections, increasingly supported by PRIIPs KID analysis, complaints data and value-for-money work.

**Value-for-money and other product-level screening tools are increasingly used to identify risks and trigger more targeted supervisory action.** In several jurisdictions, market-wide screening is followed by undertaking-specific engagement, in-depth document review and, where needed, on-site inspections. This can be observed, for example, in AT, BE, BG, DE, LU, LV and RO.

**Supervisory activities are also becoming more outcome-oriented, with several NCAs reporting concrete remedial consequences.** Several NCAs now report concrete supervisory consequences such as recommendations, injunctions, remedial action plans, cost reductions, changes to product features or the withdrawal of products from the market. This is particularly visible in BE, BG, DE, LU and RO and reflects a shift from assessing the mere existence of POG documentation towards testing its effective application in practice and its impact on consumer outcomes. NCAs generally demonstrate a coherent and recurring IBIP-focused supervisory programme. This usually combines market-wide thematic work, structured off-site monitoring and targeted on-site inspections with documented findings and follow-up. Examples include AT, BE, DE, DK, EL, LU, LV, NO, PT, RO, SI and SK.

**Partially fulfilled cases generally show meaningful supervisory activity, but not yet a sufficiently systematic or recurring IBIP-focused programme.** Several NCAs have undertaken meaningful supervisory work through thematic reviews, questionnaires, inspections or product-focused analysis. However, activities often remained fragmented, insufficiently IBIP-focused or not yet part of a recurring end-to-end programme testing the full POG cycle in practice. This can be seen, for example, in ES, HR, HU, IS and LT.

**Further efforts are needed to ensure that supervisory activities are systematic, recurring and sufficiently focused on testing POG requirements in practice.** Overall, the follow-up indicates a more mature and operational approach to supervisory activities on POG. Nevertheless, the remaining partially fulfilled and not fulfilled cases show that further efforts are still needed in some

jurisdictions. In particular, NCAs still need to ensure sufficiently systematic and recurring IBIP-focused supervisory activity, with adequate market coverage and effective use of thematic and on-site work to test the application of POG requirements in practice.

## 4. NCA PROGRESS REPORTS REGARDING RECOMMENDED ACTIONS

### 4.1 AUSTRIA

#### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

##### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

##### Evidence

FMA-AT strengthened its internal framework for POG supervision by clarifying objectives, embedding POG more explicitly in its conduct of business supervision strategy and issuing internal guidance to support consistent application across supervisory staff and day-to-day supervisory work.

FMA-AT strengthened the conduct supervision of insurance undertakings by developing and further expanding its internal methodologies, such as the Supervisory Approach: Conduct Supervision of Insurance Undertakings, which sets out a structured and strategic framework for POG supervision. This approach embeds POG more firmly within the Authority's broader supervision strategy.

The methodology implemented by FMA-AT defines the purposes and objectives of POG supervision, links them to the strategic priority of collective consumer protection and provides operational guidance for staff involved in POG-related supervisory tasks. It identifies core areas of supervisory focus taking into consideration existing conduct risks across the product lifecycle and specifies how supervisory tools – on-site inspections, off-site activities and thematic reviews – are selected in line with the supervisory objective.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

FMA-AT strengthened its risk-based approach by embedding POG risk assessment in the annual supervisory cycle, structured around product lifecycle-related modules and by integrating EIOPA's value-for-money methodology into its monitoring framework for IBIPs. This supports a clearer link between risk identification, supervisory prioritisation and the use of targeted supervisory tools.

FMA-AT performs an annual conduct risk assessment across all Austrian insurance undertakings. The risk assessment is built around three sub-modules: (i) point of sale; (ii) POG and governance in sales; and (iii) claims processing. The results of this risk assessment feed into the planning of supervisory activities for the following year and may also trigger ad hoc actions, where considered necessary.

FMA-AT also expanded its risk-based approach by incorporating a structured methodology aligned with EIOPA's value-for-money work in the unit-linked market. The approach has already been partially integrated into ongoing product monitoring and is used to support the identification of product-specific and undertaking-specific risks that may lead to consumer detriment. The approach is structured in progressive levels of scrutiny, starting with a market-wide assessment to identify

potential outliers, followed by enhanced supervisory review of products or undertakings that may require increased supervisory attention. This market-wide assessment draws on multiple data sources, including actuarial bases for new or amended life insurance tariffs, PRIIPs KIDs and data collected through EIOPA's Cost and Past Performance survey and benchmarking exercise to identify outliers that may warrant enhanced POG assessment and prioritised supervisory engagement.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

FMA-AT took steps to communicate supervisory expectations on POG both through structured market engagement and through supervisory dialogue embedded in ongoing supervisory activity. The evidence further indicates that FMA-AT follows up on these expectations by challenging undertakings' implementation of POG requirements via on-site inspections, thematic reviews and targeted document-based assessments.

In particular, supervisory expectations relating to POG are embedded in supervisory engagement with insurance undertakings and distributors. Supervisory expectations on POG are conveyed during on-site inspections and thematic reviews and are also communicated directly to supervised entities as part of supervisory findings and follow-up actions where POG-related weaknesses are identified. This includes instances where deficiencies in product documentation, distribution information or governance arrangements were addressed directly with supervised entities, including through written communications and supervisory feedback as part of supervisory measures.

Supervisory expectations are also disseminated to the wider market through structured market interactions (e.g. FMA Dialog events). The purpose of these events is to communicate key findings from thematic reviews and other supervisory inputs (including on-site inspections, complaints and whistleblower reports), and to outline the corresponding supervisory expectations. Presentation materials are distributed to event participants and, subsequently, made available to all supervised entities, with the stated objective of ensuring that expectations on POG requirements are known and applied consistently across the market.

Furthermore, the communication of supervisory interpretations and expectations is supported by regular exchanges with the Austrian Insurance Association (VVO), including committees attended by key functions and members of insurance undertakings' Executive Boards, as well as lectures delivered as part of professional training and continuing development obligations for insurance undertakings' staff.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

FMA-AT established clearer and more structured supervisory methodologies and tools for POG supervision, moving from reliance on EIOPA guidance alone to a documented internal framework that provides practical instructions for day-to-day supervisory work. Principles and guidance are both documented and used as an operational reference in ongoing supervision.

FMA-AT developed and implemented a structured internal framework to guide supervisors in assessing compliance with POG requirements. The supervisory methodology and tools for POG supervision are set out in a dedicated internal document (Supervisory Methodology and Tools – POG), which explains how compliance with POG requirements is to be monitored and which supervisory tool (e.g. on-site inspections, off-site activities and thematic reviews) is most appropriate depending on the supervisory objective.

The document provides practical operational guidance for supervisory staff by linking specific POG topics to corresponding supervisory instruments. It describes the assessment approach for key POG elements, including systems and controls, target market assessment, product testing (including value-for-money considerations), distribution and sales strategy, and product monitoring and review. It also sets out internal procedures and practical guidance intended to support supervisors in conducting both on-site and off-site activities.

FMA-AT has also implemented internal processes to operationalise its supervisory tools. Depending on the selected tool, supervisors follow a defined internal process setting out the applicable procedures, responsibilities and documentation requirements. Relevant documentation is made available via the intranet and accessible to all staff, supporting consistent application across the Authority.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

FMA-AT carried out supervisory activities through a structured supervisory programme of on-site inspections, off-site activities and thematic reviews, to assess how POG requirements are applied in practice.

FMA-AT increased and systematised its supervisory activities on POG, using a combination of on-site inspections, off-site activities and thematic reviews. These activities are planned through the Authority's conduct supervision approach and risk assessment framework, which is used to prioritise POG-related supervisory work and to target resources where consumer impact risks are greatest. While not all activities were directly related to IBIPs, they demonstrate the Authority's active engagement in the POG area and provide a strong foundation for ongoing supervisory work. During the reference period, FMA-AT carried out three on-site inspections that assessed product approval procedures, target market definition, product monitoring and documentation, including one inspection specifically focused on record-keeping under Article 9 of the POG Delegated Regulation.

FMA-AT also carried out IBIP-related supervisory work on value-for-money in the unit-linked market. This included a market-wide information and document request addressed to all Austrian life insurance undertakings offering unit-linked life insurance, focusing in particular on the best-selling unit-linked products in new business in 2024 and applying EIOPA's value-for-money methodology to support the identification of potential outliers and prioritise further supervisory engagement.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.2 BELGIUM

### RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

#### Main findings

The Authority was recommended to carry out systematic supervisory activities which should be prioritized taking into account the risks identified in the risk model.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

#### Evidence

FSMA-BE carried out supervisory activities through a structured supervisory programme of market-wide monitoring, targeted reviews and follow-up measures, to assess how POG requirements are applied in practice and identifying shortcomings requiring remediation.

To support risk-based prioritisation, FSMA-BE developed and uses a dedicated toolbox, including a KID Dashboard (based on prior notifications of IBIPs KIDs) that automatically extracts data from predefined indicators to identify value-for-money outliers, complemented by cost surveys for pension products and an annual IDD cartography collecting product-level data to support POG controls. FSMA-BE also started in 2024 the development of a more comprehensive risk tool combining these sources with other indicators (e.g. prudential data and complaints).

During the reference period, FSMA-BE carried out several supervisory actions assessing POG requirements in practice and driving remediation. A POG survey launched in 2022 on value-for-money and exclusions, which covered several insurance undertakings and distributors, resulted in injunctions and recommendations. The survey identified issues such as insufficient customer focus, lack of proportionality, limited value-for-money product testing, and insufficient complexity assessment for target market determination. FSMA-BE also carried out, in 2023, an action on unit-linked products used for occupational pensions also resulting in injunctions and recommendations. These findings were reported as fully remediated.

In addition, FSMA-BE reported product-focused supervision. Multiple value-for-money supervisory actions were launched in 2023 and 2024 covering unit-linked and non-life products. For 2023–2024, FSMA-BE reported completing 178 unit-linked investment-option investigations resulting in cost reductions or products being withdrawn from sale and 56 non-life products investigations resulting mainly in products being withdrawn.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.3 BULGARIA

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

FSC-BG embedded POG supervision in its supervision strategy and day-to-day supervisory work, supported by internal documentation that sets out the purposes and objectives of POG supervision, and a risk-based approach to supervising product governance (including IBIPs). Overall, the Authority has established a clearer and more structured set-up for POG supervision, proportionate to the characteristics of the domestic insurance market, and supported by organisational arrangements within the Insurance Supervision Department.

FSC-BG embedded POG supervision into its Strategy 2025-2027, with operational objectives that include conducting supervisory activities in accordance with a set of internal supervisory policies, procedures and standards for risk-based supervision, as well as identifying, analysing and assessing early risks associated with the activities of supervised entities. Another POG-related goal embedded in the Strategy 2025-2027 is to expand supervision of market behaviour of supervised entities, including monitoring distribution channels, the accessibility and clarity of information, compliance with the contract conclusion process, the adequacy of products placed on the market, and the creation, revision and modification of products, as well as value-for-money monitoring.

The organisational structure and core supervisory processes are set out in the Manual on Supervisory Review Processes. Within the Insurance Supervision Department, the Authority has assigned responsibility for POG supervision and, although the organisational structure is not yet

fully finalised, two employees are dedicated to POG supervision. This supports the operationalisation of POG supervision within the Authority's organisational arrangements.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

FSC-BG implemented a risk-based and proportionate framework for conduct supervision that incorporates POG requirements, combining quantitative and qualitative indicators to assess consumer risks and using these to prioritise supervisory follow-up.

FSC-BG's risk-based approach is embedded in the Manual on Supervisory Review Processes, where risk assessment is a dedicated subprocess of the Supervisory Review Process aimed at identifying and assessing current and future risks faced (or likely to be faced) by insurance undertakings. For product-level supervision, FSC-BG applies a dedicated risk-based supervisory manual (Manual for Risk-Based Supervision on the Control and Management of Products Offered on the Insurance Market), which also sets out requirements for IBIPs.

The framework draws on Solvency II data alongside qualitative inputs such as consumer complaints and media monitoring and uses analytical tools to support benchmarking and risk identification.

FSC-BG has developed a tool to aggregate Solvency II data for the non-life sector to establish benchmark levels, while life insurance supervision relies on data provided at EU level (including EIOPA value-for-money data). The combined outputs (including from off-site work and quantitative analysis) support the setting of risk levels for supervised entities and may result in the inclusion of an entity in the annual supervisory plan for on-site inspections.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

FSC-BG formulated a set of supervisory expectations on POG covering all key POG elements and applicable across product types. However, FSC-BG has not yet formally communicated these expectations to the market, as envisaged by the recommended action. The circular letter setting out these expectations has not been finalised and issued during the reference period.

FSC-BG prepared a circular document (Supervisory expectations in the area of Product Oversight and Governance) intended to set expectations on the management of the POG process and the involvement of governing bodies and key functions, the adequate and detailed definition of the target market (notably for IBIPs) and value-for-money assessment. In addition, FSC-BG plans to amend and update its manual for risk-based supervision (Manual for Risk-Based Supervision on the Control and Management of Products Offered on the Insurance Market) to set out POG requirements in greater detail and provide clearer guidance on practical application.

Pending the formal communication of the circular letter and the updated manual for risk-based supervision, supervisory dialogue and communication of expectations on POG are carried out through remote and on-site supervisory work, with follow-up where deficiencies are identified.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

FSC-BG established documented and structured supervisory methodologies and tools to assess how POG requirements are applied in practice, combining a general supervisory review framework with a dedicated risk-based POG supervisory manual that supports both on-site and off-site work and is proportionate to the characteristics of the domestic insurance market (including specific processes for manufacturers and distributors).

FSC-BG implemented the recommended action by means of two interrelated documents. The Manual on Supervisory Review Processes sets the overarching framework for supervisory processes, including the risk assessment framework and supervisory activity planning, thereby embedding POG considerations within the Authority's wider supervisory cycle and ensuring consistency across supervisory activities.

In addition, the Manual for Risk-Based Supervision on the Control and Management of Products Offered on the Insurance Market focuses on the operationalisation of POG supervision, covering

both on-site and off-site processes and the use of quantitative and qualitative indicators, including Solvency II data, consumer complaints and media monitoring. It provides structured guidance for POG inspections at both manufacturer and distributor levels, combining on-site verification (including interviews and direct assessments) and off-site document analysis. The manual also includes dedicated guidance for IBIPs, including the assessment of value-for-money and the application of EIOPA's value-for-money benchmarks dataset. It is aligned with the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG, ensuring methodological consistency with EU-level expectations while reflecting national market specificities.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

FSC-BG carried out supervisory activities through a structured supervisory programme of on-site inspections, off-site analyses and thematic reviews, to assess how POG requirements are applied in practice.

FSC-BG conducted various on-site POG inspections during the reference period, including nine on-site inspections in total, of which five were focused on the national IBIPs market. Following the inspections, supervised entities took voluntary corrective actions, including the suspension of one product and the revision of another. FSC-BG also reported recurring weaknesses in core POG areas, including shortcomings in target market documentation, information flows to distributors and timeliness of product monitoring and review.

In addition, in 2025, FSC-BG launched three on-site inspections focused on product distribution, control and governance (one comprehensive and two thematic). The inspection included testing of product testing/monitoring and value-for-money and identified an unfavourable value-for-money ratio for one life product linked to an investment fund; the undertaking voluntarily withdrew the product.

In parallel, FSC-BG reported continuous off-site monitoring, including review of product testing and consumer impact and enhanced market monitoring through thematic reviews as well as a pilot study applying EIOPA's methodology to assess value-for-money in the unit-linked market.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.4 CROATIA

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

HANFA-HR strengthened the organisational set-up for POG supervision and reorganised its supervisory function into multidisciplinary supervisory teams supported by a horizontal team covering cross-cutting topics, including POG. These steps demonstrate progress but do not yet demonstrate sufficiently clear and stable resourcing for POG supervision (e.g. clarity on resource allocation, market coverage, expectations and the extent of dedicated capacity) needed to support regular, systematic supervision, as envisaged by the recommended action.

HANFA-HR has embedded POG supervision in its internal supervisory methodology (Metodologija Posrednog I Neposrednog Nadzora), with a dedicated chapter covering product design/approval, monitoring and review, and distribution. POG considerations are applied in supervisory reviews on selected product samples, including attention to value-for-money, target market and distribution quality.

On organisation, HANFA-HR reported that resources and expertise for POG are being strengthened through a July 2025 restructuring into six multidisciplinary supervisory teams (supervisors, legal experts, analysts and actuaries) responsible for defined supervised entities, supported by a horizontal team covering cross-cutting topics (including POG) and supervisory tools. As this restructuring was implemented in July 2025, it falls outside the reference period assessed; accordingly, its operational impact on POG supervision cannot yet be evidenced and is expected to materialise over time.

However, while the organisational model and planned capability-building are clearly described, the evidence does not yet provide sufficient detail to demonstrate adequate, stable and clearly defined resourcing for POG supervision in practice. In particular, there is limited information on dedicated capacity, expected allocation of staff time to POG-related work, and planned supervisory coverage or frequency. This limits assurance that POG supervision can be delivered on a regular and systematic basis across the market.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

HANFA-HR developed a systematic and proportionate risk-based framework for conduct supervision that incorporates POG requirements and supports the prioritisation of supervisory attention. The framework is proportionate to the characteristics of the domestic insurance market and to the nature, scale and complexity of risks.

HANFA-HR embedded conduct supervision into the risk assessment framework and supervisory methodology (Metodologija Posrednog I Neposrednog Nadzora), where POG requirements, including for IBIPs, are considered as part of the qualitative business model analysis (including assessment of the quality of client/policyholder relations, distributor relations and relations with

other involved partners). Under this framework, conduct risk is one of the modules considered during risk calibration, and supervisory priorities are set in accordance with risk indicators, so that higher-risk undertakings and business models are prioritised in supervisory planning. Risk-based supervision is the foundation of actions taken in both on-site and off-site supervision.

To support a consistent risk-based approach to product governance across the market, HANFA-HR also uses its guidelines on insurance business conduct. These guidelines describe supervisory expectations for the development of new products and changes to existing products, including key POG-relevant areas such as product complexity, pricing, target market, product testing, product approval and distribution.

The approach is applied in a proportionate manner, taking into account market characteristics and the nature, scale and complexity of risks, including that IBIPs are described as underdeveloped and representing under 4% of premiums, while ensuring that supervisory priorities focus on the undertakings and business models presenting the highest risks.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

## Evidence

HANFA-HR has carried out a limited number of supervisory activities to assess how POG requirements are applied in practice, demonstrating some supervisory engagement. However, the evidence provided remains largely high-level and does not demonstrate a sufficiently systematic and IBIP-focused programme of supervisory activities covering all key POG elements for IBIPs, as envisaged by the recommended action.

HANFA-HR has taken steps to integrate POG considerations into its supervisory planning and has carried out certain supervisory activities that touch on IBIP-related risks. HANFA-HR indicated that POG and IBIP supervisory activities are planned as part of its broader risk assessment and supervisory planning processes (noting that the Croatian IBIPs market is described as underdeveloped and representing under 4% of premiums) and reported conducting monitoring and analysis activities on IBIPs, including breakeven analysis as a value-for-money tool. HANFA-HR also indicated that its future IBIP-related work will be streamlined through EU-level inputs (e.g. value-for-money benchmarking and analytical tools) to focus on potential outliers for more detailed supervisory attention, and that further supervisory activities are planned for 2026.

HANFA-HR also reported that it has carried out on-site supervisory activities in relation to IBIPs and that these included the assessment of POG requirements (e.g. product design/approval, distribution arrangements and ongoing review). However, the information provided is high-level and does not specify the number, scope and market coverage of these on-site activities, the criteria used to select undertakings/products, or the supervisory findings and follow-up measures taken.

In addition, HANFA-HR reported a value-for-money review of credit protection insurance (CPI) products, which resulted in modifications to certain products and the issuance of supervisory guidance on product design, cost structure and overall value-for-money. While this illustrates supervisory activity relevant to product value, it relates to non-IBIP products and, therefore, does not evidence supervisory activities on IBIPs.

Overall, while HANFA-HR has taken initial steps that contribute to supervisory oversight of IBIP-related risks, further development of a structured and risk-based supervisory programme will be needed to fully meet the recommended action.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks, HANFA-HR has not yet implemented systematic supervisory activities combining on-site and off-site

inspections and thematic reviews covering an adequate number of IBIPs and manufacturers and testing the effective application of POG requirements in practice.

## 4.5 CYPRUS

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models

#### Evidence

ICCS-CY did not report any implementation measures to establish a defined organisational framework and dedicated resources for POG supervision. ICCS-CY further indicated that work in this area is planned as a project starting in 2026.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

### RECOMMENDED ACTION – RISK-BASED APPROACH

#### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

#### Evidence

ICCS-CY did not report any implementation measures to develop or apply a systematic risk-based approach incorporating POG supervision. ICCS-CY further indicated that work in this area is planned as a project starting in 2026.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

### RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

#### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

#### Evidence

ICCS-CY did not report any implementation measures to set and communicate supervisory expectations on POG requirements to the market. ICCS-CY further indicated that work in this area is planned as a project starting in 2026.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

ICCS-CY did not report any implementation measures to develop or apply supervisory methodologies and tools to assess how POG requirements are applied in practice. ICCS-CY further indicated that work in this area is planned as a project starting in 2026.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

#### Evidence

ICCS-CY reported limited supervisory activity in relation to POG, consisting of an off-site analysis of unit-linked products focusing on value-for-money. ICCS-CY further indicated that the project is ongoing and that recommendations will be issued once the analysis is completed.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

## 4.6 CZECH REPUBLIC

### RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

#### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

#### Evidence

CNB-CZ formulated and communicated a comprehensive set of supervisory expectations covering all key POG requirements applied to IBIPs, through a combination of formal written communications and structured market engagement.

CNB-CZ communicated its supervisory expectations through a combination of formal publications and direct communications to the industry, complemented by undertaking-level information gathering and follow-up. The initial set of written expectations was formally issued as Supervisory Expectation No. 1/2022 (On the Obligations of Insurance Distributors in the Area of Product Oversight and Governance) and published on the Authority's website, followed by a self-assessment survey distributed to all IBIP manufacturers. Based on the survey, CNB-CZ further refined and supplemented its POG expectations for IBIPs, which were communicated via letter to supervised entities in September 2025 as a follow-up to the core written communication to support consistent application across IBIP manufacturers; however, this letter was issued after the reference period and is therefore noted as follow-up information rather than evidence underpinning the assessment.

In addition, CNB-CZ held structured dialogues on POG requirements with the market via the Czech Insurance Association by presenting its expectations and views on POG and related topics such as value-for-money and governance aspects.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

CNB-CZ put in place structured supervisory methodologies and tools to assess how POG requirements are applied in practice including for IBIPs, through documented internal guidance that operationalises EIOPA's Approach to the Supervision of POG and is used in both on-site and off-site supervision.

In particular, CNB-CZ developed an internal supervisory handbook for POG supervision, building on the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG, while also reflecting other relevant POG-related regulatory material. The handbook was fully revised and significantly expanded in September 2023 and includes step-by-step supervisory procedures, internal checklists and reporting templates to support consistent supervisory assessments. The handbook covers all components of the POG process and includes detailed guidance on IBIP value-for-money assessment, as well as modules addressing differential pricing practices and ESG-related considerations related to POG, supporting a risk-based focus on key consumer-outcome drivers.

Although framed as an off-site methodology, the handbook's tools and processes are also used to support on-site inspections, notably through "informational visits" that complement off-site work and may be used as part of on-site supervisory activity. CNB-CZ also supports systematic market monitoring through an annual thematic survey, conducted each January, collecting structured product and distribution information from IBIP manufacturers.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.7 DENMARK

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

FSA-DK implemented a documented organisational framework for POG supervision, with clearly identified responsibilities, risk-based resource allocation principles and defined links to its broader supervisory strategy. POG supervision is embedded in the Authority's existing conduct supervision structure and is applied in a proportionate manner reflecting the characteristics of the domestic insurance market, including the limited size of the IBIPs market, and the nature, scale and complexity of risks.

In particular, FSA-DK adopted an internal policy on POG supervision, finalised in April 2024, which sets out guidelines on resource allocation, division of responsibilities and risk-based supervision. The policy links POG supervision to key goals of the Authority's overall strategy, thereby supporting the integration of POG supervision into the broader supervisory framework.

As regards organisational arrangements, FSA-DK stated that the Consumer Protection Division is mainly responsible for POG supervision across relevant entities. The policy on POG supervision also provides for cooperation across the organisation, including input from Prudential Divisions where relevant for POG supervision. Resources for specific POG matters are allocated on a risk-based basis, weighing potential consumer impact against other supervisory priorities within the Consumer Protection Division. On resources, FSA-DK noted that POG supervision primarily uses existing resources and that no division has staff dedicated exclusively to POG supervision. In the context of the Danish market, where IBIPs are reported to be few and of low volume, and where occupational

pension products represent the main long-term savings products and a greater source of consumer risk, this supports a proportionate approach to resource allocation and supervisory focus.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

FSA-DK developed a documented risk-based framework for POG supervision. However, the framework is only partially operationalised in practice, as key elements are not yet implemented and IBIPs are not specifically assessed in detail.

In particular, the internal policy on POG supervision adopted by FSA-DK is built around a risk-based approach and foresees two assessment components (one annual and one ongoing): (i) an undertaking-specific assessment for all insurance undertakings in Denmark, which includes conduct and POG elements (such as the number of customers and product complexity) and is carried out by the Consumer Protection Division with input from the Prudential Divisions; and (ii) a market-wide assessment of the most prevalent product types, based on product complexity and inherent risks. While the policy has been adopted, the undertaking-specific risk assessment has not yet been implemented due to resource constraints. This limits the extent to which the framework can

currently support a fully operational and systematic risk-based prioritisation of supervisory activities at undertaking level, including for POG-related risks.

In addition, the internal policy on POG supervision specifies that investigations into POG should, as a starting point, focus on POG processes relating to specific products, with particular attention to target market assessment, rather than reviewing formal POG policies in isolation. This supports a supervisory focus on consumer outcomes by examining how POG requirements are applied in practice at product level. While the evidence indicates that IBIPs are not assessed in detail within the risk assessment framework, this reflects a risk-based approach that takes into account the limited presence and low volume of IBIPs in the Danish market.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

FSA-DK formulated and communicated supervisory expectations on POG through a combination of formal public communications, including rulings, press releases and a published market report, and entity-specific supervisory dialogue, with supervisory follow-up in individual cases. The approach is applied proportionately, reflecting the limited size of the Danish IBIPs market and the greater supervisory relevance of occupational pension products in the domestic market.

In particular, FSA-DK reported that it accompanies specific supervisory rulings with public communications highlighting supervisory expectations. FSA-DK referred to a ruling issued on 8 May 2025 on POG, together with a press release setting out supervisory expectations on the applicability

of POG requirements, including clarification that products subject to significant adaptations fall within scope. FSA-DK also indicated that, even where products fall outside the formal scope of POG, undertakings are expected to assess consumer outcomes and identify potential adverse impacts on customers. The stated focus of these expectations was mainly on pension products, reflecting the structure of the Danish market.

FSA-DK also reported supervisory follow-up through entity-specific dialogue. This included ongoing confidential dialogue with an insurance undertaking that was the subject of a 2023 POG ruling, where the supervisory discussion focused on expectations relating to product testing. This supports evidence that supervisory expectations are not only published but also reinforced through supervisory engagement with undertakings.

In addition, FSA-DK referred to a 2023 in-depth report based on a screening of POG procedures across insurance and pension companies. According to the Authority, the report set out a range of recommendations and supervisory expectations, including on sufficiently granular target market definition (including for group contracts/collective agreements), continuous product monitoring and review, adequate documentation of the POG process, and value-for-money considerations. FSA-DK is preparing further work on POG and ESG that may lead to additional supervisory communications.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

## Evidence

FSA-DK developed a documented framework for POG supervision, centred on an internal POG policy and a product-focused supervisory approach. However, the evidence provided does not yet demonstrate that this framework has been sufficiently operationalised into well-structured internal supervisory processes and practical tools (including for IBIPs) used in day-to-day off-site and on-site supervision, as envisaged by the recommended action.

In particular, FSA-DK reported that a central component of its internal POG policy finalised in April 2024 is a risk-based approach to POG supervision. The policy also specifies that POG investigations should, as a starting point, focus on POG processes relating to specific products (with particular attention to target market assessment), rather than reviewing formal POG policies in isolation. This supports a product-level and consumer-outcome-oriented supervisory methodology.

At the same time, the information provided does not evidence more detailed internal supervisory processes or tools typically expected under this recommended action (e.g. step-by-step procedures, internal manuals/checklists, documented instructions for on-site and off-site POG work, or examples of practical implementation). While the limited presence and low volume of IBIPs in the Danish market is relevant to proportionality, the evidence remains insufficient to demonstrate full implementation of a fit-for-purpose POG supervisory methodology and toolset for IBIPs and life insurance products more generally.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

FSA-DK has carried out supervisory activities to assess the application of POG requirements in practice, using a combination of market-wide screening work and targeted undertaking-level supervisory actions (including rulings and follow-up supervisory dialogue). This activity is applied in a risk-based and proportionate manner in light of the limited size of the Danish IBIPs market and the greater materiality of occupational pension products for Danish consumers.

In particular, FSA-DK issued a ruling on 8 May 2025 on POG, accompanied by a press release highlighting supervisory expectations. This communication emphasised the expectation that product monitoring should also address “legacy” products and clarified the supervisory view on when significant product adaptations bring products within scope of POG requirements, while also stressing an outcomes-focused approach for products outside the formal POG scope. FSA-DK also carried out targeted follow-up at undertaking level through ongoing supervisory dialogue linked to a prior ruling on POG in 2023, focusing in particular on expectations regarding product testing.

In addition, in 2023 FSA-DK published an in-depth report based on a screening of POG procedures across insurance and pension companies. The report set out observations and recommendations across core POG elements (including target market, monitoring and review, documentation, and value-for-money considerations), thereby supporting supervisory convergence and providing a reference point for subsequent supervisory engagement.

Finally, FSA-DK reported that it is preparing an analysis on POG and ESG (expected to be finalised by the end of 2025), with the potential to inform targeted supervisory investigations and additional communications, where warranted by the findings.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.8 ESTONIA

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

EFsRA-EE took some incremental steps to enhance the organisation and resourcing for POG supervision but does not yet have in place a well-defined and comprehensive organisational structure for POG supervision, with clearly defined purposes and objectives, embedded in ongoing supervisory activities and reflected in its strategy through documented internal arrangements understood and applied across the Authority, as envisaged by the recommended action.

In particular, key EIOPA supervisory materials (Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG) were adopted into internal regulations by Board decision. EIOPA's Approach to the Supervision of POG is also made publicly available on the Authority's website. However, beyond this formal adoption, the evidence does not include documentation setting out a POG supervision strategy (purposes, objectives and priorities) or internal organisational and process documentation demonstrating how POG supervision is systematically operationalised and embedded in day-to-day supervisory work.

On resourcing, the number of FTEs engaged in conduct of business supervision of insurance undertakings and distributors was increased from 0.8 to 1.4. POG resourcing is reported to have risen proportionally, and relevant staff participate in EIOPA's POG workshops. While these steps support capacity-building, the evidence does not demonstrate that resources and expertise dedicated to POG supervision are clearly defined and demonstrably proportionate to the risks and

complexity of the domestic IBIPs market, nor that POG supervision is organisationally embedded through documented internal arrangements applied consistently across the Authority.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks<sup>7</sup>, EFSRA-EE has not implemented the broader organisational and strategic arrangements required to ensure POG supervision is systematically embedded and operationalised across the Authority, as envisaged by the recommended action.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

EFSRA-EE strengthened its risk-based approach to POG supervision by incorporating product-related considerations, expanding its monitoring tools and integrating these elements into supervisory

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<sup>7</sup> In the period 2022-2024, Estonian life insurance undertakings manufactured 4 new products and reviewed 3 products. Estonian non-life insurance undertakings manufactured 11 new products and changed 4 products. Branches of non-life insurance undertakings in Estonia manufactured 13 new products and changed 7 products during this period.

planning. The approach is considered proportionate taking into account the reduced number of new IBIPs launched and significant adaptations to existing products.

EFSRA-EE's introduced dedicated elements to its risk-based approach to establish a more systematic framework for product-specific and undertaking-specific risk assessments. The current framework considers the risks associated with IBIPs and other life insurance products and supports its risk-based approach to POG supervision.

Furthermore, EFSRA-EE strengthened its monitoring processes, making use of market-wide information sources that serve as indicators of potential product-related risks. These include reporting, consumer complaints, cross-market surveys and meetings with market participants. In addition, EFSRA-EE regularly monitors notifications received under Article 11 of the POG Delegated Regulation, which provide insight into issues identified by distributors and contribute to the early detection of possible consumer detriment. This multi-source approach supports the identification of areas where POG risks may materialise.

EFSRA-EE applies a structured, multi-year supervisory planning process that incorporates a general risk-based approach. The three-year strategic plan and the annual work plan provide the basis for identifying areas requiring supervisory attention. EFSRA-EE indicated that it plans to build on the existing processes by defining a more structured set of risk indicators and measures relevant to POG supervision and clarifying how these should influence supervisory prioritisation.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

## Evidence

EFSRA-EE has communicated supervisory expectations on POG requirements applied to IBIPs primarily through regular market engagement and targeted communications and has reinforced these expectations through ongoing supervisory monitoring and follow-up. This approach is considered proportionate given the limited number of new IBIPs launched and the number of significant adaptations to existing products.

Supervisory expectations have been communicated through regular roundtables (twice a year, ongoing) with market participants, used to introduce EIOPA materials and EFSRA-EE's supervisory focus, including key requirements under the POG Delegated Regulation and related expectations for the implementation of POG requirements.

In addition, targeted written communication has been used where relevant (including a circular letter on product governance requirements addressed to distributors) and key reference material (including a published translation of EIOPA's Approach to the Supervision of POG) has been made publicly accessible to support clarity and transparency for supervised entities. Follow-up on supervisory expectations is supported by ongoing supervisory tools, including annual cross-market questionnaires to supervised entities to monitor core POG requirements, which can trigger further supervisory engagement where weaknesses are identified.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

## Evidence

EFSRA-EE strengthened the methodological basis and tools supporting POG supervision by formalising the use of key EIOPA supervisory materials within its internal framework and by implementing structured information-gathering tools (notably an annual cross-market questionnaire) to support consistent supervisory assessment and follow-up. These elements constitute a proportionate and structured set of supervisory processes for the Estonian market.

EFSRA-EE integrated EIOPA's key supervisory materials into its internal framework. In particular, the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG were adopted into internal regulations by Board decision providing a formal and structured reference point for supervisors when assessing POG requirements and supporting a harmonised and risk-based supervisory approach.

In addition, EFSRA-EE implemented a structured tool to support supervisory analysis through a cross-market annual questionnaire addressed to all supervised entities. The questionnaire gathers detailed information on manufacturers' and distributors' product governance arrangements and related practices (including internal procedures, product changes and documentation), providing a systematic and repeatable basis to assess compliance with POG requirements and to identify issues that may warrant further supervisory scrutiny.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a "customer-centric" approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

EFSRA-EE carried out supervisory activities through a structured supervisory programme of off-site supervisory work and market-wide information-gathering, to assess how POG requirements are applied in practice in a proportionate manner given the characteristics of the IBIPs market (including the limited number of new products launched and significant adaptations to existing products). Although supervisory activities were primarily off-site, they were systematic, implemented on an annual cycle and supported by structured tools, thereby enabling the Authority to assess how POG requirements are applied in practice.

EFSRA-EE performed targeted off-site supervisory work to assess how insurance undertakings evaluate whether IBIPs are appropriate for the identified target market, including the assessment of customers' needs and objectives, product characteristics and value-for-money.

EFSRA-EE complemented its off-site inspection work with recurring, market-wide supervisory monitoring, combining analysis of annual questionnaire returns (addressed cross-market to insurance undertakings and distributors) with other ongoing risk signals (including complaints and reporting information). Notifications received under Article 11 of the POG Delegated Regulation were also reviewed systematically, contributing to the early detection of potential consumer detriment.

This multi-source monitoring enabled EFSRA-EE to identify potential outliers, support its assessment of whether product approval and distribution arrangements are being reviewed in practice, and determine whether targeted supervisory follow-up is warranted.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.9 FINLAND

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

FIN-FSA has taken some steps to organise POG supervision within its broader conduct supervisory work, but it has not yet established a well-defined and comprehensive organisational framework for POG supervision, with clearly defined purposes and objectives, embedded in ongoing supervision and reflected in its strategy, as envisaged by the recommended action. IBIP-specific supervisory embedding remains limited and resourcing constraints have delayed implementation in practice.

FIN-FSA incorporated POG as an element of its conduct supervision model and annual work planning. FIN-FSA also developed practical supervisory tools, including a 31-point POG form used to cover POG elements in ad hoc cases or inspections, supported by a POG handbook and it also requests POG documentation from insurance undertakings when supervisory opportunities arise. POG-related targets are included in the annual work plan and internal guidance on POG principles is made available to supervisory teams.

At the same time, FIN-FSA stated that its current POG set-up is “not highlighted nor comprehensive” and that more refined objectives have not been developed, reflecting the delayed initiation of POG supervision for IBIPs. FIN-FSA also stated that its overarching strategy is not sector-specific and therefore does not include specific elements on POG for IBIPs. In practice, IBIP-specific supervisory follow-up has been limited to date, as supervisory priorities have been directed elsewhere due to resource constraints and the risk-based de-prioritisation of POG supervision for IBIPs.

Regarding resourcing, the team headcount has remained broadly unchanged since the peer review. While management intended to increase resources, recruitment and staff stability challenges have affected delivery (including the fact that the appointed supervisor left in spring 2025), and POG supervision has been postponed in practice. FIN-FSA also considers the domestic market context, namely a small number of well-known domestic undertakings and limited product complexity, as supporting a lower supervisory emphasis on IBIPs.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks, FIN-FSA has not implemented the broader organisational and strategic arrangements required to ensure POG supervision is systematically embedded and operationalised across the Authority, as envisaged by the recommended action.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

FIN-FSA put in place a systematic and proportionate risk-based framework for conduct supervision that incorporates POG requirements. The framework uses quantitative and qualitative inputs to identify and prioritise consumer risks at both market and undertaking levels and links risk

identification to supervisory planning and follow-up. FIN-FSA also referenced market characteristics (e.g. market concentration among domestic undertakings and low levels of complaints/disputes) as contextual inputs supporting a proportionate risk-based prioritisation of IBIP supervision. FIN-FSA indicated that IBIP-related supervisory effort is allocated through the annual work plan, supporting a proportionate allocation of resources based on identified conduct risks.

FIN-FSA has developed a conduct risk assessment framework that covers all classes of insurance and their sources of risk, draws on the product lifecycle/value chain and embeds POG as a component of the conduct risk assessment. The framework also supports risk-based selection and prioritisation in supervisory planning, including the allocation of resources in the annual work plan for IBIP supervision. FIN-FSA further explained that POG is used within this framework both as an assessable process and as a tool to structure supervisory dialogue with product manufacturers to improve customer outcomes and strengthen product oversight practices.

FIN-FSA also applies quantitative monitoring tools to support undertaking-specific risk observation and benchmarking against market baselines, notably through its retail risk indicators tool. FIN-FSA noted that this tool enables undertaking-level observation and comparison to a market baseline, despite data limitations (e.g. limited product-level granularity and annual frequency). In addition, FIN-FSA has carried out a market-wide value-for-money analysis and has started using EIOPA's value-for-money benchmarks as a consistent basis for screening and assessing potential outliers in the Finnish IBIPs market to support targeted supervisory follow-up.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

## Evidence

FIN-FSA communicated supervisory expectations on POG to the market through public announcements to supervised entities and targeted follow-up at undertaking level, with a particular emphasis on product testing and value-for-money. However, FIN-FSA reported that it has not yet carried out systematic follow-up against these expectations across the market, as envisaged by the recommended action.

FIN-FSA issued two announcements in 2023 to supervised entities. These communications emphasised the expectation that manufacturers have a fully integrated POG system in place and highlighted the importance of adequate product testing, which FIN-FSA notes is often insufficient in practice. A further announcement was also used to draw attention to value-for-money aspects.

FIN-FSA also used undertaking-specific follow-up to reinforce expectations in practice. This included a follow-up letter to one undertaking in relation to the monitoring element under POG for expensive underlying fund options, requesting the undertaking to demonstrate that regular product monitoring was carried out. Beyond written communications, FIN-FSA uses supervisory engagements to convey expectations, including dialogue with the sector's industry body. FIN-FSA indicated that it intends to use the roll-out of EIOPA's value-for-money benchmarks as a platform for more structured supervisory discussion on expectations with insurance undertakings.

While these steps demonstrate active communication of expectations, FIN-FSA has not yet implemented systematic, market-wide follow-up against these expectations, as envisaged by the recommended action. FIN-FSA attributed this to risk-based prioritisation decisions and staffing difficulties.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks, FIN-FSA has not yet followed up on the supervisory expectations by challenging the effectiveness of insurance undertakings' POG arrangements against those expectations through supervisory actions, as envisaged by the recommended action.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

FIN-FSA developed and started using practical supervisory tools to assess how POG requirements are applied in practice, but has not yet put in place the full set of structured supervisory processes to guide supervisors consistently in both on-site and off-site POG supervision for IBIPs, as envisaged by the recommended action. The current approach remains largely tool-based and case-specific, rather than forming a comprehensive and embedded supervisory methodology.

FIN-FSA has developed a tool for POG assessments, namely a 31-point POG form intended to cover the key POG steps and requirements in ad hoc cases or inspections. The tool is supported by a POG handbook which provides examples and scenarios to help structure supervisory questioning and assessments. FIN-FSA also prepares and trains staff for POG inspections using these tools. FIN-FSA indicated that these tools are primarily used to structure supervisory questioning in individual cases, rather than as part of an end-to-end, documented supervisory process (e.g. standard workflows for off-site reviews, sampling approaches, escalation/follow-up steps and documentation expectations) that would ensure consistent application across the market.

At the same time, FIN-FSA stated that inspections and thematic reviews follow its regular inspection guidelines, which do not include sector-specific sections; supervisors therefore develop inspection questions on a case-by-case basis, guided primarily by the 31-point POG form and the supervisor's own insights. FIN-FSA also noted that the POG handbook provides supporting material, but that the approach still relies largely on case-by-case supervisory judgement and is not yet embedded in structured internal processes reflecting IBIP-specific risks. This does not amount to the broader documented procedures and methodologies expected under the recommended action, i.e. structured internal processes providing practical instructions for supervisors in on-site and off-site activities and incorporating the characteristics of the domestic insurance market and FIN-FSA's wider supervisory framework and tools.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

FIN-FSA has not implemented a systematic programme of supervisory activities to assess how POG requirements are applied in practice, as envisaged by the recommended action. While FIN-FSA carried out some POG-relevant work, it also indicated that IBIP-related POG supervision has been de-prioritised in practice due to risk-based choices and resource/staffing constraints.

FIN-FSA carried out a thematic review on IDD implementation (2022–2023) that included a dedicated POG section covering major life and non-life undertakings. FIN-FSA also completed a market-wide value-for-money review of IBIPs in 2022 covering domestic life insurance undertakings (representing the large majority of unit-linked products). While the value-for-money review and thematic work represent important market-level screening, they do not demonstrate systematic and repeatable testing of the full POG lifecycle (target market granularity, distribution oversight, monitoring and corrective actions).

At the same time, FIN-FSA has not carried out on-site inspections specifically focused on POG requirements applied to IBIPs during the reference period; IBIP POG work has been de-prioritised in practice because of risk-based prioritisation and staffing constraints. POG documentation in the IBIP context has been requested only once, and where follow-up occurred the outcomes were constrained by subsequent business developments at the undertaking concerned. FIN-FSA has indicated that inspection-type actions may be possible in future, but no such programme was confirmed during the reference period.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks, FIN-FSA has not yet implemented systematic supervisory activities combining on-site and off-site inspections and thematic reviews covering an adequate number of IBIPs and manufacturers and testing the effective application of POG requirements in practice.

## 4.10 FRANCE

### RECOMMENDED ACTION – RISK-BASED APPROACH

#### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

#### Evidence

ACPR-FR formalised a conduct risk assessment framework for business practices that explicitly incorporate product-specific risk assessments alongside undertaking-specific risk assessments. It relies on quantitative indicators and qualitative intelligence to identify conduct risks affecting consumers and to prioritise risk-based supervisory actions with a focus on customer outcomes.

The framework translates identified conduct risks into supervisory action through both market monitoring and targeted supervisory activities, including on-site inspections, market-wide surveys and questionnaires addressed to the market, mystery shopping exercises and thematic reviews. It relies on combined quantitative and qualitative inputs. Quantitative inputs include retail risk indicators primarily drawn from the annual questionnaire to undertakings on commercial practices and customer protection, including indicators that capture product lifecycle and product governance signals (e.g., number of products launched or significantly changed, complaints breakdowns by product and reason, distribution-channel indicators and governance arrangements). Qualitative inputs comprise structured stakeholder feedback and supervisory intelligence, including exchanges with other authorities, consumer organisations and the monitoring of information requests submitted to Banque de France / ACPR (MODAC).

ACPR-FR also described an operational cycle for the conduct risk assessment framework. Annual submissions of the questionnaire on commercial practices and customer protection are due by 30 June each year. ACPR-FR extracts and analyses data, engages with reporting entities to monitor data quality and identify outliers and finalises the analysis in the autumn. The outputs, including products and/or undertakings identified for specific supervisory actions, feed into the following year's supervisory activity programme, which is then formalised through the annual approval of supervisory priorities.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.11 GERMANY

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

BaFin is recommended to have in place a well-defined and comprehensive structure for POG supervision which is proportionate to the (current and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives. Moreover, BaFin is recommended to ensure that POG supervision is embedded in on-going supervisory activities and is fully reflected in the BaFin's strategy. The above should be set out in documentation, which is known, understood and applied throughout the organization. In addition, BaFin is recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should be proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

BaFin strengthened the organisational basis for POG supervision by embedding IBIP-related POG work into its Consumer Protection Strategy and its insurance-sector conduct risk assessment framework, supported by structural reforms and increased resourcing for conduct of business supervision.

In 2023, BaFin strengthened its risk-based conduct supervision by implementing an enhanced system of retail risk indicators. BaFin also set and communicated market expectations on value-for-money through a guidance notice, supported by an explanatory note outlining its risk-based supervisory approach. In addition, operational supervisors were more closely involved in POG supervision, and BaFin is currently assessing options to further reinforce its resources for conduct of business supervision. separation of complaints handling from conduct

Following the implementation of the Consumer Protection Strategy, BaFin significantly strengthened its focus on conduct supervision, introducing structural reforms and allocating greater resources to the area. Key changes included the separation of complaints handling from conduct supervision, as well as the establishment of the new Conduct of Business Supervision Directorate. The new Directorate comprises the following Divisions: Market Supervision concerning the Conduct of Insurance Undertakings towards Consumer, Conduct of Business Supervision Focussing on Business Organisation – Life Insurance and Conduct of Business Supervision Focussing on Business Organisation – Non-Life Insurance. This reorganisation ensures a clearer emphasis on conduct oversight. These adjustments also led to an increase in staffing levels, with FTEs rising from 6.3 to

8.9 in insurance supervision (VA – Verbraucherschutz) and from 26 to 36 in consumer protection (VBS – Verbraucherschutz - Schwerpunkt Versicherungen).

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

BaFin is recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporates POG requirements. The framework should include both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework is to be integrated and aligned with BaFin's strategy. The framework should rely on measures (quantitative and qualitative) to assess how products impact consumers and the likelihood of the materialisation of risks. BaFin should identify and document a comprehensive set of product risks it expects manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures lead to good consumer outcomes. BaFin should, furthermore, define undesired consumer outcomes and assess whether supervised entities have in place their own notion of good consumer outcomes.

### Evidence

BaFin implemented a structured and risk-based framework for conduct supervision incorporating POG-related risks for IBIPs, combining product-level and undertaking-level assessments with retail risk indicators to identify outliers and prioritise supervisory follow-up across the product lifecycle, including the payout phase of pension products.

BaFin developed a conduct risk assessment framework that covers IBIPs and has expanded its supervisory focus beyond the accumulation (saving) phase to also include the payout phase of pension products. BaFin has linked this work to its broader approach on organisation and resources.

BaFin relies on the conduct risk assessment framework as its primary mechanism for detecting, assessing and ranking conduct-related risks in the insurance market, particularly concerning individual undertakings and specific products. The framework combines data-driven insights with

supervisory expertise, blending systematic market surveillance with professional judgement to gauge risks and determine regulatory priorities. Its operation follows a three-stage approach: initially identifying risks, then analysing their potential impact, and finally prioritising them to guide supervisory actions and is tailored to the different phases of the product life cycle. In addition, BaFin annually analyses data based on retail risk indicators to identify outliers, whose products are then subject to supervisory assessment in the following year.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

BaFin is recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs. Communication should be carried out in a formal manner (e.g., guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business. BaFin is recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

BaFin communicated supervisory expectations on POG for IBIPs in a formal and market-wide manner through published guidance and supporting publications describing its risk-based approach to conduct supervision, covering savings products (including IBIPs) and clarifying how POG requirements are expected to be applied in practice.

BaFin communicated its supervisory expectations to the market following the Peer Review reference period, as acknowledged in EIOPA's POG Review report. It issued and published Guidance Notice 01/2023 (VA), setting out its conduct-of-business supervisory approach based on POG requirements applied to IBIPs. The scope of this guidance covers savings products in general, including IBIPs.

In parallel, BaFin published and communicated its risk-based approach to conduct supervision to the market, providing transparency on how BaFin identifies and prioritises conduct/POG-related risks (including through retail risk indicators and outlier identification) and how this informs

supervisory attention. In addition, BaFin is currently assessing options to further strengthen its resources for conduct-of-business supervision, in line with the continued embedding of these expectations.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

BaFin is recommended to have in place well-structured supervisory processes to establish that POG requirements are adequately and correctly implemented. In particular, BaFin is recommended to have in place fit-for-purpose internal supervisory processes on POG supervision; most notably for IBIPs and more generally for life insurance products. The processes should take into consideration the Chapter on POG of the EIOPA Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should provide practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporate the specificities of the national IBIPs market and BaFin's framework for POG supervision and other supervisory tools.

### Evidence

BaFin put in place and operationalised supervisory methodologies and tools that support a risk-based assessment of POG requirements applied to IBIPs, combining an established conduct risk assessment framework for life insurance with recurring data-collection and monitoring tools (including retail risk indicators and periodic industry surveys) to identify outliers and trigger targeted supervisory scrutiny.

BaFin's risk-based conduct risk assessment framework for life insurance provides an overarching methodological structure for detecting, assessing and prioritising conduct/POG-related risks at both undertaking and product level, with relevant supervisory units participating in the annual risk assessment and prioritisation process. Operationally, BaFin supplemented the framework by developing tools aimed at identifying undertaking-specific risks and also at monitoring risks across the German market. This includes tools to support supervisory analysis, notably through industry surveys run every three years, complemented by national reporting data. The industry survey collects data on reduction in yield and distribution-related costs for IBIPs and provides a systematic means of gathering information to assess compliance with POG requirements and to identify

potential areas warranting further supervisory scrutiny. Identified outliers are subject to closer monitoring and off-site supervisory inspections.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

BaFin is recommended to carry out systematic supervisory activities, such as on-site inspections, off site inspections and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs. The supervisory activities should aim to assess the application of POG requirements in practice, specifically whether undertakings have effective and comprehensive POG policies and procedures in place that are adequately internalised and whether insurance undertakings take a “customer centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest. Specifically for on-site and off-site inspections, BaFin is recommended to carry out analyses focused on POG requirements and to ensure that when these cover other conduct aspects or prudential aspects, POG requirements are given substantial emphasis.

### Evidence

BaFin carried out supervisory activities to assess the application of POG requirements applied to IBIPs in practice by using a risk-based approach to identify higher-risk undertakings and products and applying closer supervisory scrutiny (including off-site inspections), supported by targeted case work.

BaFin’s supervisory activities are driven by its conduct risk assessment framework for life insurance and the use of market and undertaking data (e.g. costs, remuneration to intermediaries, cancellation rates, new business volume, rebates, and unit-linked investment performance) to detect and prioritise conduct/POG-related risks for further review.

BaFin analyses data against retail risk indicators to identify outliers, whose products are then assessed in the following supervisory cycle and may be subject to closer monitoring and off-site supervisory inspections. This includes reviewing whether POG arrangements are effectively applied across the product lifecycle and using complaints and other signals to identify potential systemic issues, with a focus on fair consumer outcomes, in particular on value-for-money. In addition, following its 2023 Guidance Notice on savings products, BaFin adopted a risk-based value-for-

money framework, using data-driven benchmarks to identify underperforming products and undertakings. This approach has already led to in-depth reviews of 13 life insurance undertakings, covering over 20% of the market.

### **Conclusion**

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.12 GREECE

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

BoG-EL ensured that POG supervision is reflected in its supervision strategy and embedded in its ongoing supervisory activities, supported by a clearer organisational structure with defined responsibilities (including a dedicated internal structure for supervising business practices of insurance product manufacturers and distributors) and dedicated staff with relevant skills and expertise for POG supervision.

BoG-EL strengthened its organisational set-up for POG supervision by establishing a dedicated unit (Section for the Supervision of Business Practices of Insurance Product Manufacturers and Distributors) with responsibility for POG supervision. The Section's remit covers supervisory work relevant to IBIPs and other investment-related products. This includes the assessment of manufacturers' PRIIPs KIDs, such as the analytical calculations underlying risk, cost and performance scenario indicators. It also includes monitoring the implementation of POG principles throughout the product lifecycle and the application of value-for-money considerations in product design and ongoing review.

In terms of resources, the Authority reported that the Section is staffed with 16 professionals (including the Head and Deputy Head), with 7 FTEs allocated to conduct supervision, including POG supervision. BoG-EL indicated that the team includes a mix of skills and expertise relevant to assessing POG requirements applied to investment-related products, supporting the operationalisation of POG supervision within ongoing supervisory work.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

BoG-EL implemented a structured conduct risk prioritisation methodology (conduct risk assessment framework) that incorporates POG requirements and is used to identify and prioritise conduct risks at both market-wide and undertaking-specific levels across life and non-life insurance, feeding into supervisory planning, resource allocation and subsequent follow-up.

BoG-EL's approach aims to identify conduct risks throughout the product lifecycle in a risk-based way. The conduct risk assessment framework relies on quantitative inputs (including Solvency II and ad hoc reports submitted to BoG-EL) and qualitative inputs (complaints and press monitoring). Within this framework, BoG-EL monitors, for life insurance products, risks related to market targeting, product design, value-for-money and pricing, and marketing/sales/distribution aspects. For non-life insurance products, BoG-EL monitors risks related to market targeting, product design (including operational resilience and business model aspects), value-for-money and pricing, and marketing/sales/distribution aspects. These inputs are used to detect emerging conduct risks and potential product issues and to inform targeted supervisory engagement where needed.

BoG-EL also indicated that POG monitoring is embedded in the supervisory cycle and is carried out both on a regular basis (predominantly off-site) and through the conduct risk assessment framework, where the results may trigger additional on-site and/or off-site supervisory activities.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

BoG-EL put in place internal supervisory processes and manuals that provide practical guidance for POG supervision, supporting a structured approach to assess how POG requirements are applied in practice through on-site inspections and off-site monitoring, including for IBIPs. These processes are tailored to the characteristics of the domestic insurance market and are complemented by its broader conduct risk assessment framework.

BoG-EL developed a comprehensive supervisory manual setting out procedures for both on-site inspections and off-site monitoring for POG requirements. Off-site monitoring covers core product lifecycle areas, including governance, product design, development and approval, product reviews, product monitoring and distribution. These procedures reflect the structure and supervisory expectations set out in the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG.

The on-site inspection POG manual is applicable to both manufacturers and distributors and provides practical supervisory coverage across the relevant POG areas. For manufacturers, this includes the review of the POG policy and related monitoring, strategic guidelines, organisational structure, supervision of risks and corporate culture. For distributors, the manual covers information flows between manufacturer and distributor, training, conflicts of interest management, monitoring and controls of the sales network, the sales process and the portfolio of products distributed, thereby supporting assessment of how distribution arrangements and sales practices align with the manufacturer's target market and POG framework.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

BoG-EL has carried out supervisory activities through a structured supervisory programme of targeted on-site inspections, market-wide off-site reviews and risk-based screening, to assess how POG requirements are applied in practice.

In particular, in 2023 BoG-EL performed on-site inspections at three insurance undertakings, representing more than 90% of the unit-linked market in Greece, to assess POG issues related to unit-linked products (including governance, product design/approval, distribution arrangements

and monitoring/review processes for unit-linked products). BoG-EL also reported that, during 2023, it reviewed the PRIIPs KIDs of all IBIPs in the Greek market from a value-for-money perspective, including verification of compliance with the amended rules of Regulation (EU) 2021/2268. BoG-EL further indicated that a value-for-money assessment based on 2024 data is ongoing, supporting ongoing market-wide screening and follow-up where outliers are identified.

In addition, BoG-EL reported follow-up supervisory engagements in 2024. These included a POG-focused discussion with an undertaking, prompted by findings from an on-site governance inspection. BoG-EL also conducted a targeted assessment of an undertaking's practice of offering an early surrender option for a guaranteed investment product, considering both the financial terms and the insurance coverage offered to policyholders. In 2025, BoG-EL carried out an on-site inspection of an IBIP distributor. The inspection included a review of several IBIP sales and an assessment of product suitability against the target market characteristics set by the manufacturer. This demonstrates targeted follow-up on product design features and customer outcomes.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.13 HUNGARY

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

MNB-HU strengthened the organisation and resourcing for POG supervision, notably by embedding POG considerations in its supervisory framework and inspection work. However, organisational arrangements are still being consolidated following recent structural changes implemented in 2025. A fully established, strategically embedded and consistently coordinated framework for POG supervision across the Authority is not yet in place, as envisaged by the recommended action.

MNB-HU refers to its supervisory strategy for 2020–2025 (MNB Felügyeleti Stratégia 2020–2025), which includes high-level objectives linked to consumer protection and product-focused supervision. MNB-HU also treats compliance with POG requirements as a key supervisory target area and uses a dedicated POG questionnaire to support consistent coverage of POG topics in inspections, demonstrating that POG is operationally present in supervisory work.

At the same time, the strategic references remain high-level and do not translate into a clearly articulated Authority-wide framework showing how POG supervision is systematically operationalised across ongoing supervisory activities and embedded in internal arrangements. MNB-HU also referred to the December 2024 Recommendation on POG, which sets expectations for insurance undertakings on POG requirements; however, it does not address the Authority's internal organisation or resourcing for POG supervision. Furthermore, the Recommendation on POG is applicable from 1 January 2026, which falls outside the reference period.

In addition, MNB-HU undertook significant organisational changes in 2025, including the transfer of consumer protection tasks to another directorate, and the redistribution of POG-related supervisory responsibilities is still ongoing. In terms of resources, one staff member from the On-site Supervision Department is dedicated to POG, one staff member from the Off-site Supervision Department is involved, and actuarial support is used for product testing, with five actuarial staff rotating through product testing work (pricing policy, product plans and premium calculations) for selected products. For topics previously investigated by the Consumer Protection Area (e.g. target market definition, conflicts of interest and exclusions), a risk-based approach is applied, supported by management-level discussions on emerging issues and continuous communication between the relevant areas. MNB-HU has indicated that it plans to establish a dedicated expert group to coordinate POG supervision; however, the Authority has not yet confirmed the composition or timeline for its establishment. These interim measures provide continuity during the transition but do not yet constitute a fully formalised, documented and Authority-wide approach to ensure sustained coherence and effectiveness of POG supervision post-restructuring.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

## Evidence

MNB-HU established a documented, systematic and proportionate risk-based framework for conduct supervision that explicitly incorporates POG-related risks and aligns with its supervisory strategy and consumer protection objectives.

MNB-HU strengthened its risk-based approach to conduct supervision by developing and finalising in March 2024 a new conduct risk assessment framework as part of the technical assistance programme (TSI – Technical Support Instrument) managed by the European Commission’s Directorate-General for Structural Reform Support (DG REFORM). The conduct risk assessment framework provides a documented methodology for identifying, assessing and prioritising conduct and POG-related risks, using a combination of quantitative and qualitative indicators drawn from domestic supervisory sources and Solvency II reporting.

The methodology groups risks along the product lifecycle, applies governance indicators and other inputs to determine risk levels and benchmarks indicators against expected values or market averages. The framework supports the identification of product-specific, undertaking-specific and market-wide risks and helps prioritise supervisory action based on the impact and likelihood of consumer harm, including through the monitoring of indicators linked to undesired consumer outcomes.

MNB-HU also developed supporting documentation to facilitate operational use of the framework. While MNB-HU noted that certain elements of the framework are still being refined or tested, the core components of an effective, POG-integrated risk-based supervisory approach are already in place.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues

(through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

MNB-HU formalised and communicated supervisory expectations on POG requirements applied to IBIPs through published recommendations, including value-for-money and conflicts of interest aspects, and has reinforced these expectations through supervisory follow-up (including inspections and thematic work) and supervisory dialogue with the market, supporting clearer and more consistent application of POG requirements across the insurance market.

MNB-HU issued formal recommendations on POG and conflicts of interest management, which align with its supervisory strategy for 2020–2025 (MNB Felügyeleti Stratégia 2020–2025) and with consumer protection as a key strategic focus. The December 2024 Recommendation on POG was addressed to insurance undertakings and distributors. It sets expectations for a customer-centric POG framework and emphasises that products should deliver an appropriate price value ratio and that customer interests should be weighed at least as strongly as profitability considerations during product design. The Recommendation on POG also sets expectations on key POG elements, including a sufficiently granular target market definition, customer-focused product testing, the use and monitoring of customer-oriented indicators, and corrective action where long-term value is not adequate (e.g. adjustments to costs and/or commissions).

In addition, MNB-HU issued a separate recommendation in November 2024 (MNB Recommendation on IBIPs) on the identification and management of conflicts of interest in the sale of IBIPs, addressed to insurance undertakings and distributors. This Recommendation sets expectations on the conflicts of interest policy (including incentive-system aspects) and describes good and bad practices, highlighting that effective conflict management typically requires a combination of measures applied in a systematic manner.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

MNB-HU has developed a set of supervisory methodologies and tools relevant for POG supervision, including internal inspection tools and operational support for risk-based assessments. However, these tools are not yet embedded and applied in a sufficiently consistent, comprehensive and IBIP-specific manner to ensure a structured and risk-based assessment of POG requirements in day-to-day supervisory practice, as envisaged by the recommended action.

MNB-HU translated the Chapter on POG of EIOPA's Supervisory Handbook into Hungarian and made it available internally. This improves accessibility of EIOPA's guidance but does not in itself constitute an operational methodology. MNB-HU also developed a POG questionnaire that is used to support inspections and to ensure structured coverage of POG topics. In addition, MNB-HU prepared a detailed inspection methodology for CPI thematic reviews, providing a practical basis for thematic supervisory work but not forming a comprehensive POG methodology applicable across product types, including IBIPs.

MNB-HU also progressed in operationalising the conduct risk assessment framework by developing supporting documentation and an assessment database intended to facilitate systematic risk assessment and supervisory follow-up. The database was activated at the end of 2025 following a testing phase. Its full operationalisation, including confirmation through an internal policy, is planned for 2026. The information provided also indicates that the Authority has not created a separate, dedicated database for POG risks affecting consumers; instead, emerging POG-related risks are managed through the broader supervisory toolbox (including comprehensive examinations, ongoing supervision and ad hoc signals). POG supervision is also applied to IBIPs, with

the expectations set out in MNB Recommendation No. 13/2024 on unit-linked life insurance being reviewed in examinations.

At the same time, the current set-up does not yet translate into an integrated and consistently applied methodology across supervisory activities. The availability of translated EIOPA guidance supports accessibility but does not in itself ensure internalisation and operational use through practical procedures that cover the full range of POG risks, particularly those relevant to IBIPs, or that reflect national market specificities in a consistent and risk-based supervisory process. Organisational changes and the ongoing redistribution of POG-related responsibilities also affect how these tools are coordinated and applied across the Authority, limiting the extent to which they function as a coherent supervisory methodology.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

MNB-HU carried out supervisory activities that address POG requirements in practice, notably through thematic work and by embedding POG as a recurring focus in inspections, demonstrating supervisory engagement. However, the evidence does not demonstrate a sufficiently systematic programme of supervisory activities covering an adequate number of IBIPs and manufacturers to

assess the effective application of POG requirements in practice, as envisaged by the recommended action.

MNB-HU reported conducting a CPI thematic review covering nine insurance undertakings with resolution obligations to be fulfilled by 31 March 2026 and examined CPI at two additional undertakings in 2023 in the context of comprehensive investigations. MNB-HU also included compliance with POG requirements as a key audit target area in the 2024–2025 supervisory cycle, which, according to the Authority, must be verified during every comprehensive inspection.

MNB-HU applies a POG questionnaire and relevant inspection methodologies within comprehensive inspections to assess core POG elements (e.g. governance arrangements, product testing and monitoring/review). MNB-HU also refers to the use of Recommendations No. 13/2024 and No. 14/2025 in supervisory follow-up and engagement with supervised entities. MNB-HU indicated that compliance with these instruments is re-assessed on-site and off-site, including for unit-linked products.

The supervisory activity described supports the integration of POG into supervisory workstreams, but does not amount to a clearly articulated programme of IBIP-focused supervisory work. MNB-HU has not carried out systematic and targeted supervisory activities specifically focused on IBIPs (e.g. dedicated thematic reviews or structured analyses covering an adequate number of IBIP products and manufacturers). MNB-HU also indicated that it does not plan a dedicated IBIP thematic review, noting that the review of IBIPs takes place within the framework of ongoing supervision and, in the case of institutions affected by a comprehensive review, during inspections. Target market definitions, value-for-money assessments, product testing and distribution strategies are reviewed during comprehensive assessments on a risk basis. While IBIP-relevant POG aspects may be reviewed on a risk basis within comprehensive inspections, this does not yet demonstrate a sufficiently consistent and in-depth IBIP emphasis across supervisory activities.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## 4.14 ICELAND

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

CBI-IS does not yet have in place a well-defined organisational structure and resources for POG supervision, with clearly defined purposes and objectives, embedded in ongoing supervisory activities and reflected in its strategy through documented internal arrangements understood and applied across the Authority, as envisaged by the recommended action.

CBI-IS reported an increased focus on POG supervision and indicated that resourcing for POG supervision is approximately 0.75–1 FTE and that it applies a risk-based approach taking into account available resources and the assessed risk level. In particular, CBI-IS indicated that it has emphasised risk-based supervision (including for business conduct) and that, as there are currently no IBIPs manufactured in Iceland being sold in the domestic market, it has not prioritised developing a more formal organisational structure for POG supervision; the market is being monitored and CBI-IS would take appropriate action should this change.

However, the information provided does not include evidence of a structured internal organisational framework for POG supervision that demonstrates consistent embedding of POG across day-to-day supervisory work and the Authority's strategy. In particular, it does not refer to documented POG purposes and objectives, a clear internal allocation of POG responsibilities, or documented internal arrangements and practical guidance to support consistent implementation. It also does not set out a timetable for implementing such organisational changes, beyond indicating that it would act if domestic IBIP manufacturing emerges.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks<sup>8</sup>, CBI-IS has not implemented the broader organisational and strategic arrangements required to ensure POG supervision is systematically embedded and operationalised across the Authority, as envisaged by the recommended action.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

CBI-IS has a risk-based supervisory stance for business conduct in general, but it has not put in place a systematic and effective risk-based framework for conduct supervision that fully incorporates POG requirements, including documented product-specific and undertaking-specific risk assessments that feed into supervisory prioritisation, planning and follow-up, as envisaged by the recommended action.

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<sup>8</sup> CBI-IS indicated that no IBIPs are currently manufactured domestically and that IBIPs are only distributed cross-border.

CBI-IS reported that it applies a risk-based supervisory approach taking into account available resources and the assessed risk level in the market, noting in particular that no IBIPs are currently manufactured in Iceland. CBI-IS also indicated that POG/IBIP supervision is not a major focus in light of this market context and that its response is largely based on internal self-assessment and close communication with supervised entities through dedicated contacts.

CBI-IS carried out a market-wide self-assessment exercise in 2024 for insurance product manufacturers on compliance with the POG Delegated Regulation, which provided some input on how undertakings view their own implementation (e.g. product approval process and target market definition practices) of POG requirements. CBI-IS has a risk-based supervisory stance for business conduct in general, but it has not put in place a systematic and effective risk-based framework for conduct supervision that fully incorporates POG requirements, including documented product-specific and undertaking-specific risk assessments that feed into supervisory prioritisation, planning and follow-up, as envisaged by the recommended action.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks, CBI-IS has not implemented the structured risk-based framework envisaged by the recommended action to ensure continuous and systematic identification, assessment and prioritisation of POG/IBIP-related risks (e.g. defined indicators, risk scoring/assessment outputs and a clear link to supervisory planning and follow-up).

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

## Evidence

CBI-IS has set and communicated supervisory expectations on POG requirements through a combination of market-wide communication and structured follow-up with undertakings and distributors. These actions have helped clarify how POG requirements should be applied in practice, in a market where no IBIPs are currently manufactured but where distributors offer cross-border products.

In 2024, CBI-IS launched a market-wide self-assessment exercise addressed to all insurance product manufacturers and used the responses as the basis for Circular No. 9/2025, which summarised key findings and formalised and communicated the Authority's supervisory expectations on POG.

CBI-IS reinforced these expectations through follow-up actions, including letters to each insurance undertaking identifying shortcomings and meetings with distributors of cross-border products to clarify POG responsibilities, notably the need to provide clear information to customers and to inform manufacturers of potential shortcomings in products or target market identification. These steps demonstrate that the Authority has begun to challenge undertaking s' POG arrangements and support consistent application of POG requirements.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

CBI-IS has taken limited steps to strengthen supervisory methodologies and tools for POG supervision but lacks a comprehensive set of internal processes and practical tools to establish that POG requirements were adequately and correctly implemented, as envisaged by the recommended action.

In terms of methodological inputs, CBI-IS has integrated EIOPA's approach to the supervision of POG into its internal supervisory handbook (uploaded to its internal site).

However, this has not been complemented by the development of a fit-for-purpose set of documented POG supervisory procedures, checklists/templates or step-by-step methodologies to support supervisors in off-site and on-site POG activities and which incorporate the specificities of the national IBIPs market and the Authority's broader POG supervisory framework.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a "customer-centric" approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

CBI-IS has taken proportionate steps to assess how POG requirements are applied in practice, notably through a market-wide self-assessment exercise and targeted follow-up with undertakings

and distributors. However, the evidence does not demonstrate a sufficiently systematic and IBIP-focused programme of supervisory activities covering all key POG elements for IBIPs, as envisaged by the recommended action.

CBI-IS has used market-wide communication and engagement measures in the POG area, including a 2024 market-wide self-assessment of all insurance product manufacturers and a 2025 circular setting out supervisory expectations. These actions do not yet amount to a full supervisory programme that tests POG arrangements in practice through structured supervisory work. Furthermore, CBI-IS stated that, as there are no IBIPs manufactured domestically, supervision of IBIPs/POG is not a major focus under its risk-based approach and that resources would only be allocated if IBIPs were to be manufactured domestically in the future. Nevertheless, IBIPs are offered in Iceland via cross-border distribution, and CBI-IS, as a host supervisor, is responsible for monitoring conduct of business in its own territory.

In addition, CBI-IS has taken some supervisory follow-up actions, including sending individual letters to undertakings identifying shortcomings from the 2024 market-wide self-assessment and holding meetings with distributors to clarify POG responsibilities. These steps demonstrate supervisory engagement but do not yet constitute a systematic programme of supervisory activities covering the full range of POG requirements.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks, IBIPs are offered in Iceland via cross-border distribution, and CBI-IS, as a host supervisor, is responsible for monitoring conduct of business in its own territory.

## 4.15 IRELAND

### RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

#### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

#### Evidence

CBI-IE formalised and communicated supervisory expectations on POG requirements applied to IBIPs through a combination of market-wide communications and undertaking-specific supervisory engagement and has followed up by challenging POG arrangements in practice, with a particular emphasis on value-for-money and the ongoing suitability of unit-linked and long-term life products.

CBI-IE communicated supervisory expectations on POG through formal publications and industry communications, complemented by supervisory dialogue and follow-up engagement. CBI-IE indicated its Regulatory & Supervisory Outlook Reports (2024 and 2025) and Consumer Protection Outlook Reports (2022 and 2023) as key channels to set cross-sector expectations, including that undertakings embed consumer interests throughout the product lifecycle and that value-for-money in unit-linked products remains a supervisory priority aligned with EIOPA's approach. CBI-IE also cited its June 2023 Insurance Newsletter, which communicated findings and expectations from a thematic inspection of POG arrangements, including that POG should not be treated as a "tick-box" exercise and that Executive Boards should provide appropriate oversight.

CBI-IE further reinforced these expectations through letters and follow-up supervisory actions. These include a Dear CEO Letter following a thematic review on the ongoing suitability of long-term life products (setting out findings and expectations) and a Risk Mitigation Programme issued following an on-site inspection of an overseas branch of an Irish-authorized undertaking, requiring strengthened POG arrangements and the documentation of annual value-for-money analysis. These actions demonstrate escalation where supervisory findings identify deficiencies, including requirements to demonstrate ongoing monitoring and value assessments.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.16 ITALY

### RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

#### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

#### Evidence

IVASS-IT strengthened its supervisory methodologies and tools for POG supervision by developing a more structured set of internal processes and practical tools to support both on-site and off-site activities. These include internal guidance, a consolidated Market Conduct Guide under preparation, and data-driven analytical tools to identify and prioritise product risks.

IVASS-IT formalised guidelines for POG on-site inspections, providing a structured approach for scoping inspections (including product selection) and planning information requests and interviews. IVASS-IT also strengthened its broader monitoring toolkit through dashboards and IT tools, including the automated use of retail risk indicators extracted from Solvency II reporting, the development of a similar tool for foreign undertakings active in Italy and of tools supporting lifecycle monitoring. IVASS-IT also reported having included mystery shopping as part of its toolkit, supported by regulation on the use of external agents for mystery shopping exercises.

Furthermore, IVASS-IT implemented a value-for-money supervisory tool for unit-linked products based on PRIIPs KID data to screen the market and identify outliers (layer 1). This is followed by deeper analysis of outliers (layer 2), including a customer-side profit test that projects cash flows across the product lifecycle to assess the balance between consumer outcomes and manufacturer profitability, in line with EIOPA's value-for-money work in the unit-linked market.

IVASS-IT reported ongoing work across departments to upgrade and consolidate on-site and off-site POG supervisory processes into an updated Market Conduct Guide, the development of a procedure

governing a multi-year plan to update supervisory guides, with a three-year plan for 2025–2027 under preparation and the development of guidelines for distributor inspections.

### **Conclusion**

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.17 LATVIA

### RECOMMENDED ACTION – RISK-BASED APPROACH

#### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

#### Evidence

BoL-LV established a systematic and proportionate risk-based supervisory framework for conduct supervision that incorporates POG requirements and is integrated into its supervisory planning process.

BoL-LV integrated market-wide and product-specific risks, including POG aspects, into its supervisory framework through the development of a dedicated conduct risk assessment framework. This framework combines product-specific and undertaking-specific assessments (covering domestic undertakings and branches operating in Latvia) to identify risks that may impact consumers and relies on both quantitative and qualitative indicators. Conduct risk is also assessed within the broader sectoral risk assessment framework, alongside overall sector vulnerabilities and risk drivers.

The results of the conduct risk assessment framework are used to determine the annual supervisory plan, applying risk-based and proportionality principles when prioritising supervisory focus areas and actions. For the strategic planning period 2025–2027, BoL-LV adopted conduct risk as one of its supervisory priorities, taking into account EIOPA's Union-wide Strategic Supervisory Priorities during the strategy process. Following a review, the priorities will be adjusted from 2026, with market conduct remaining a core priority under "Accessibility, comprehensibility, and suitability of financial services for customers' needs", supported by defined supervisory focus areas.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

BoL-LV formalised and communicated supervisory expectations on POG requirements through formal publications, industry workshops and undertaking-level supervisory dialogue, and has reinforced these expectations through follow-up supervisory work, including a specific focus on value-for-money and POG processes for IBIPs.

BoL-LV used its 2022 thematic review on the application of POG requirements to share conclusions and best practices with the market and to set supervisory expectations for customer-centric POG arrangements through dedicated supervisory papers published on its website for both manufacturers and distributors. BoL-LV also organised two industry workshops in 2023 focused on the application of POG requirements, supervisory expectations and market best practices and provided feedback to individual market participants through bilateral dialogues complemented by individual and market-wide follow-up actions.

In addition, in the context of the 2023 assessment of value-for-money for unit-linked products, BoL-LV set out its supervisory expectations on how POG should be applied in product development and ongoing governance. These expectations were communicated to all life insurance undertakings through a supervisory letter, supported by individual engagements where needed. Follow-up work on value-for-money in IBIPs continued in 2024 and 2025.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

BoL-LV developed and implemented documented supervisory methodologies and practical tools that provide structured guidance for on-site and off-site POG supervision and support consistent assessment of compliance with POG requirements. These methodologies and tools cover IBIPs and life insurance products more broadly, in a manner proportionate to the characteristics of the domestic insurance market and to the nature, scale and complexity of risks.

In particular, BoL-LV's overarching principles of its supervisory process are set out in a common supervisory framework, including on-site and off-site supervision handbooks which are used to plan and carry out POG supervisory activities and are aligned with the Chapter on POG of the EIOPA Supervisory Handbook and EIOPA's Approach to the Supervision of POG.

Practical guidance and supervisory tasks are operationalised through an internal IT platform which supports the annual planning, execution and tracking of supervisory work and maintains an audit trail of completed activities. Within this platform, a dedicated POG section sets out, in detail, how supervisors should assess how POG is implemented by undertakings (systems and controls) and how it is applied in practice across key stages of the POG process. Furthermore, BoL-LV developed a POG supervisory checklist to provide quick and consistent guidance for the assessment of POG requirements.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

BoL-LV carried out supervisory activities through a structured supervisory programme of on-site inspections, off-site analyses and market-wide thematic work, aimed at evaluating how POG requirements are applied in practice in a proportionate manner given the characteristics of the domestic insurance market and the nature, scale and complexity of risks.

In particular, BoL-LV conducted market-wide thematic reviews on the application of POG covering all insurance undertakings and the largest distributors operating in Latvia. The review assessed the implementation of POG arrangements and their application across the product lifecycle. It resulted in market-wide conclusions and best practices, as well as follow-up actions both at market and undertaking level. BoL-LV also carried out an assessment of value-for-money for unit-linked products in 2023, including how POG should be applied in product development and ongoing governance. As a follow-up, BoL-LV held individual engagements with insurance undertakings and issued a supervisory letter setting out supervisory expectations to all life insurance undertakings.

In addition, BoL-LV reported complementing its market-wide work with ongoing off-site monitoring (including continuous monitoring and analysis of public information, meetings with insurance

undertakings' management, complaints analysis, KPI monitoring and review of available IBIP cost and past performance data) and on-site inspections covering six of the seven insurance undertakings over the period (the remaining undertaking being newly licensed), including reviews of POG policies and procedures.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.18 LIECHTENSTEIN

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

FMA-LI implemented a defined organisational set-up and resourcing for POG supervision, embedded in a clearly defined supervisory strategy for POG that is proportionate to the characteristics of the domestic insurance market and to the nature, scale and complexity of risks.

The supervisory strategy for POG was developed under the broader Conduct of Business Project. It is set out in the internal Conduct of Business Supervision Manual and complemented by dedicated POG assessment guidelines, which aim to ensure that POG purposes, objectives and supervisory expectations are applied consistently. The strategy is operationalised through structured supervisory work on unit-linked products under the conduct risk assessment framework, including reviews of POG processes focused on unit-linked life insurance.

In terms of organisation and resourcing, FMA-LI established a dedicated Conduct of Business Team within the Insurance Division to supervise POG requirements. The Team is composed of lawyers and actuaries and works closely with prudential supervisors. Cooperation with prudential supervisors was strengthened, supported by internal training on POG and value-for-money to facilitate early identification of conduct risks and effective coordination.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

FMA-LI has formalised and communicated supervisory expectations on POG requirements applied to IBIPs through public supervisory communications and structured supervisory dialogue with the market, and has followed up through targeted supervisory work to assess the effectiveness of POG arrangements in practice.

FMA-LI embedded POG requirements in its publicly available Authorisation Guideline for Insurance Undertakings, which sets out expectations on product approval processes and requires undertakings to maintain, operate and review POG processes for new products and significant product changes, including mechanisms for product design, monitoring and review, distribution and corrective actions where products may be detrimental to customers, thereby providing a clear and accessible statement of supervisory expectations. FMA-LI also drafted a letter to the market providing further guidance on supervisory expectations, notably on value-for-money in IBIPs, with publication planned after a consultation with industry, which, once finalised, would further strengthen the transparency and specificity of expectations in this area.

In addition, FMA-LI has engaged directly with market participants to communicate expectations and clarify POG topics. This included workshops with individual insurance undertakings in 2022, 2023, 2024 and 2025 (planned), and training events addressing conduct of business-related topics including IDD, POG, ESG and value-for-money. FMA-LI further indicated that it follows up on communicated expectations through supervisory activities aimed at challenging the effectiveness of POG arrangements, such as the 2024 thematic review on distribution strategies in the context of POG and on-site inspections. Supervisory findings are used to inform ongoing dialogue and, where relevant, follow-up actions, thus supporting an evidence-based supervisory cycle.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

FMA-LI has developed and implemented structured supervisory methodologies and tools, combining internal manuals and guidelines with practical assessment tools and risk-based methodologies, to assess whether POG requirements are adequately and correctly implemented, including for IBIPs and, more broadly, for life insurance products. These methodologies are embedded in the Authority's framework for conduct supervision and are used operationally in day-to-day supervision.

FMA-LI reported that its framework for POG supervision is embedded in the internal Conduct of Business Supervisory Manual and is supplemented by detailed assessment guidelines reflecting EIOPA's supervisory approach (e.g. the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the supervision of POG). The POG assessment guidelines provide structured guidance by POG area (e.g. target market and product testing), including supervisory objectives, supervisory expectations, relevant sources of information and the supervisory instruments to be used. It also incorporates cross-border considerations, reflecting the prevalence, in Liechtenstein, of business models involving the provision of services and the establishment of branches across borders.

The supervisory methodology is supported by a structured risk-based toolset. The conduct risk assessment framework incorporates quantitative and qualitative indicators and draws on EIOPA methodologies, including Retail Risk Indicators and value-for-money assessments. This tool enables FMA-LI to identify products, issues and undertakings with the greatest potential consumer impact and to prioritise and tailor supervisory actions accordingly.

FMA-LI also reported the development of practical tools to operationalise POG supervision. This includes the consolidation of cross-border information on key foreign markets and related conduct risks, as well as dedicated assessment guidance supporting specific supervisory themes, such as an SFDR assessment guideline to integrate sustainability aspects into POG supervision and PRIIPs KID assessment guidelines to support the review of manufacturers' KIDs.

Building on current tools, FMA-LI is also developing an impact and risk assessment system (Conduct-IRAS) to generate undertaking-level risk scores to support prioritisation and targeted supervisory actions.

#### **Conclusion**

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.19 LITHUANIA

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

BoL-LT embedded POG supervision within its existing framework for conduct supervision and allocated dedicated resources (2 FTEs) which are proportionate to the characteristics of the domestic insurance market and to the nature, scale and complexity of risks, in particular given the relatively small and concentrated IBIPs market. However, BoL-LT has not established a well-defined and comprehensive organisational structure for POG supervision supported by documented internal arrangements and practical internal guidance, as envisaged by the recommended action.

A revised Financial Market Supervision Policy adopted in 2024 introduced high-level consumer-centric principles and included general references to POG, including a principle on the importance of a consumer-centric culture and the stated focus on supervising POG processes. However, the Policy is a cross-cutting framework covering prudential, conduct of business and Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) supervision and does not translate into a specific POG supervision strategy with clearly articulated POG purposes, objectives and priorities. The evidence provided does not include formalised internal procedures, dedicated process descriptions or other organisational documentation showing how POG supervision is operationalised and embedded consistently in day-to-day supervision across all POG elements.

Regarding internal arrangements, POG supervision is carried out by the Credit and Insurance Services Supervision Division, as part of broader supervisory processes – including thematic reviews, risk assessments and market monitoring. Two FTEs are dedicated specifically to IBIP-related

POG supervision (out of four FTEs assigned to insurance services and insurance brokerage firm supervision). In light of the domestic market context – a relatively small and concentrated life insurance market with 7 insurance undertakings offering IBIPs – this resourcing can be considered proportionate. Recent POG-related activities in 2024–2025 also supported staff competence-building (including through EIOPA workshops), which contributes to strengthening expertise for POG supervision.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

BoL-LT implemented a risk-based and proportionate conduct supervisory framework that incorporates POG-related risks for IBIPs and is used to prioritise supervisory attention.

BoL-LT's risk-based supervisory model, revised in 2024, classifies supervised financial services into four risk categories using quantitative and qualitative indicators, with the highest risks assigned to the F1 category. Services classified as F1 or F2 are subject to an additional entity-level risk assessment, reflecting their higher potential impact on consumers. Unit-linked life insurance has been classified in higher-risk categories over the last three years and, on that basis, IBIP manufacturers have been subject to entity-specific assessments.

BoL-LT also approved in September 2023 a methodology to assess value-for-money for unit-linked products, developed in line with EIOPA's work on value-for-money and designed to build on outputs from the risk-based supervisory model. The assessment follows a three-layer approach: (i) market-wide screening using PRIIPs KID data; (ii) enhanced KID/indicator analysis; and (iii) a POG assessment. This combined approach supports product-level and undertaking-level risk identification and helps prioritise supervisory action, with an explicit focus on consumer outcomes and the early detection of potential outliers.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

BoL-LT formalised and communicated supervisory expectations on POG requirements through a combination of market-wide communications, targeted supervisory letters and structured engagement with the market, with a particular focus on IBIPs and value-for-money. These expectations are reinforced through concrete supervisory work, enabling clearer messaging and follow-up where shortcomings are identified.

BoL-LT set out supervisory expectations through a mix of formal guidance and direct supervisory communications. This included IBIP distribution guidelines adopted in July 2024 (containing POG-related recommendations), revisions to professional qualification requirements for insurance product distributors (with specific attention to IBIP distributors) and supervisory letters – including a 2023 market-wide letter reiterating and clarifying earlier POG recommendations – which clarified

how insurance undertakings are expected to apply POG requirements in a customer-centric manner and in line with legal obligations. These expectations were reinforced through supervisory work, including thematic reviews and assessment visits in 2024, as well as targeted supervisory engagement where shortcomings were identified. Expectations were also supported through supervisory dialogue with the market (e.g. via the Insurance Forum and stakeholder consultations) and, where necessary, written follow-up requiring corrective actions.

Specifically, for IBIPs, BoL-LT used the outputs of value-for-money work in the unit-linked market to set and communicate supervisory expectations to the market. Following its market-wide assessment of unit-linked products, BoL-LT requested detailed information from insurance undertakings on product design and governance and benchmarked the results against EIOPA indicators. Where products were identified as providing insufficient value-for-money, BoL-LT planned to issue supervisory letters requesting remedial action in line with the POG Delegated Regulation, linking supervisory expectations directly to identified risks and observed market practices.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

BoL-LT developed and applied a supervisory methodology for IBIPs, aligned with EIOPA's value-for-money work in the unit-linked market and incorporating a POG assessment stage. However, this

remains limited in scope and does not provide supervisors with a comprehensive and practical framework to assess the full range of POG requirements across the product lifecycle, as envisaged by the recommended action.

The methodology to assess value-for-money for unit-linked products approved in September 2023 (see also the recommended action on the risk-based approach) has been operationalised through concrete supervisory work, including a 2024 market-wide assessment covering all 88 unit-linked products, with 26 products flagged for enhanced scrutiny and requests for detailed qualitative and quantitative information (including on product testing, monitoring and review processes, and supporting documentation). In 2025, following benchmarking against EIOPA indicators, 22 products were identified as providing insufficient value-for-money, with supervisory follow-up (including planned letters requesting remedial action) linked to the POG Delegated Regulation.

However, the methodology to assess value-for-money for unit-linked products does not constitute a comprehensive framework for POG supervision with structured and practical guidance covering all POG elements (e.g. wider governance arrangements, customer-centric product design, distribution strategy, conflicts of interest and systematic monitoring/review requirements). In addition, the evidence provided focuses on this tool and does not demonstrate a broader set of documented internal supervisory processes (e.g. manuals, procedures or checklists) or the integration of the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG into internal processes and procedures that would provide practical guidance for supervisors in on-site and off-site POG work. At this stage, no plans were reported to develop a broader POG methodology.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a

“customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

BoL-LT carried out some supervisory activities to assess how POG requirements are applied in practice, notably through on-site and off-site work and thematic exercises, including IBIP-related value-for-money work and PRIIPs KID work, demonstrating supervisory engagement. However, the evidence does not demonstrate a sufficiently systematic and IBIP-focused programme of supervisory activities covering all key POG elements for IBIPs, as envisaged by the recommended action.

In 2024, BoL-LT carried out assessment visits to three insurance undertakings (one life and two non-life) to review how the POG process is governed (e.g., internal policies/procedures) and how it operates in practice, resulting in recommendations for improvements. The assessment visits covered the overall POG process and related controls, including target market identification, product testing, product distribution, product monitoring and review, as well as the embedding of a customer-centric culture. BoL-LT reported that these visits covered around 60% of insurance undertakings providing insurance services and registered in Lithuania. In 2025, BoL-LT also performed a targeted inspection of a Lithuanian branch of a life insurance undertaking which included an assessment of POG-related aspects.

Beyond on-site work, BoL-LT reported extensive off-site and thematic activity, including: unit-linked value-for-money analyses, PRIIPs KID reviews, annual complaints monitoring, follow-up work linked to EIOPA’s thematic review on credit protection insurance and a thematic review on sustainability-related disclosures and the inclusion of sustainability considerations in POG-related requirements.

However, the reported supervisory activities are not consistently IBIP-specific (e.g. some visits covered non-life undertakings and certain thematic work addresses other topics) and, taken together, the evidence demonstrates supervisory engagement and useful supervisory insight, but it does not yet show a structured and recurring programme that systematically tests the full range of IBIP POG requirements in practice.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## 4.20 LUXEMBOURG

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

CAA-LU strengthened the organisational basis and resourcing for POG supervision by reinforcing its dedicated market conduct supervisory capacity, clarifying POG supervision objectives and risk methodology through a formal governance process, and embedding POG supervision more explicitly into ongoing conduct supervision activities and cross-departmental cooperation.

CAA-LU enhanced its framework for POG supervisory by clarifying objectives, embedding POG more explicitly within the conduct of business supervision strategy and implementing internal guidance to support consistent application across supervisory staff. Supervisors apply the CAA-LU POG Guidelines and operate under a formal governance process describing the functioning of POG supervision, including a dedicated risk methodology and defined POG supervision objectives. These arrangements, provide evidence of a more structured and operationally embedded approach to POG supervision.

CAA-LU reinforced its organisational set-up for POG supervision through a dedicated market conduct unit responsible for IDD (including POG), applying the Authority's POG Guidelines and operating under a formal governance process that defines its risk methodology and POG supervision objectives. By 2025, this unit comprises three FTEs (up from one FTE in 2021), combining one lawyer and two economists. The unit also benefitted from additional legal support focused on the supervision of the individual pension product (assimilated to IBIPs) and works in coordination with life/non-life insurance and distribution departments to support efficiency and coherence in off-site

and on-site supervisory work. However, it is important to increase resources placed within the Conduct Supervision Department, to ensure the proactive supervision of emerging and future risks by looking at current market practices, trends and developments.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

CAA-LU implemented a systematic risk-based framework for conduct and POG supervision, combining product-specific and undertaking-specific considerations and using quantitative and qualitative inputs to identify higher-risk undertakings and distributors and prioritise supervisory action and focus on good consumer outcomes, including value-for-money.

CAA-LU's POG supervision programme is risk-based and conducted annually, identifying undertakings and distributors presenting higher POG-compliance risks as priority targets for supervisory activity. The risk identification combines quantitative factors (e.g. questionnaire scores, premium levels, number of complaints and commission levels) with qualitative factors (including the quality of questionnaire responses, market characteristics such as local vs cross-border and retail vs High Net Worth Individuals (HNWIs), and supervisory expert judgement). Expert judgement

is informed by supervisory experience (including information from reporting and on-site/off-site work) and information received from other national and international authorities.

The framework was initially applied to the life market with a focus on IBIPs' conception and distribution and was expanded to the non-life market using the same risk-based logic in 2024, adding further quantitative indicators such as loss ratios. Throughout POG supervision, the approach is explicitly linked to good consumer outcomes, including the identification of undesired outcomes through value-for-money analysis (comparing premiums paid and benefits delivered, retrospectively and prospectively), which has been used to trigger targeted supervisory attention.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

CAA-LU formulated and communicated supervisory expectations on POG in a structured manner, combining market-wide communications, ongoing supervisory dialogue and targeted follow-up to clarify how POG requirements should be applied in day-to-day practice for manufacturers and distributors.

CAA-LU has maintained continuous communication with undertakings and distributors on POG requirements. Its market questionnaires served not only as supervisory tools but also as informative instruments to clarify expectations on governance, product testing, target market definition and ongoing monitoring. After analysing the responses, the CAA published two information notes in March 2023 summarizing key findings and reiterating POG obligations.

To reinforce supervisory expectations, CAA-LU uses a wide range of communication channels, including technical committees, information notes, circular letters, regular meetings with professional associations (ACA and APCAL), and presentations at industry conferences. These forums are used to explain how POG should be applied in daily practice and to address implementation questions from the market. CAA-LU also reinforced expectations through supervisory dialogue in practice, including during on-site inspections conducted over the past three years.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

CAA-LU developed more structured supervisory methodologies and tools to assess how POG requirements are applied in practice, moving beyond reliance on EIOPA guidance alone and providing practical internal processes and instructions to support off-site and on-site supervisory work. However, the supervisory toolset remains under ongoing development and refinement (including planned further testing and iterative additions), which means the framework is not yet fully consolidated as a stable end-to-end methodology, as envisaged by the recommended action.

In particular, CAA-LU set out its supervisory methodology and tools for POG supervision in a dedicated internal document (Politique de Contrôle CAA - POG), which explains how compliance with POG requirements is to be monitored and which supervisory tool (e.g. on-site inspections, off-

site activities and thematic reviews) is most appropriate depending on the supervisory objective. This document provides practical operational guidance for supervisory staff by linking specific POG topics to corresponding supervisory instruments.

CAA conducts supervision using structured inspection matrices (one for insurance undertakings and one for intermediaries), which have been tested through various off-site and on-site inspections and were reviewed in 2024 to better align them with the regulatory framework. On-site inspections follow five core objectives based on IDD and POG, with one objective dedicated specifically to product oversight and governance. POG supervision covers both the assessment of governance frameworks and the verification of how POG is applied in practice, using samples of new and significantly modified products. This work is broken down into detailed sub-objectives, such as target market assessment, testing, value-for-money analysis, and product monitoring, developed with reference to EIOPA's handbook. The scope of controls varies depending on the operator and supervisory judgement, and IBIP-specific features are incorporated where relevant.

At the same time, the toolset is still evolving, in a flexible manner, rather than fully consolidated. The matrices and sub-objectives are being continuously improved, with further testing and amendments planned (including additional testing of the undertaking matrix in late 2025 and adding sub-objectives over time), and controls may not cover all objectives/sub-objectives depending on risk-based supervisory judgement. While EIOPA notes the flexibility of this tool, CAA-LU is encouraged to continue this journey, developing its supervisory methodology and tools, including the further embedding a varied and proportionate mix of POG supervisory instruments suitable for the national market.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a

“customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

CAA-LU increased and systematised its supervisory activities on POG, using a combination of market-wide data collection, off-site analyses, thematic work and on-site inspections to assess the application of POG requirements in practice.

Between 2022 and 2025, CAA-LU significantly strengthened supervision of IDD/POG and value-for-money across the life insurance market. This included market-wide data collection and targeted follow-up with more than 90 entities, complemented by off-site and on-site inspections. These actions identified multiple breaches, leading to mandatory remedial plans.

CAA-LU also conducted on-site POG inspections (including two in 2025) examining governance structures for product development and monitoring and the existence, adequacy, and practical implementation of POG policies. The work included testing effective implementation through samples of new products or significantly changed ones. Where necessary, this was complemented by more targeted on-site visits in line with the risk-based approach.

In addition, supervisory activity included scrutiny of technical notes, PRIIPs KIDs and IBIP distribution practices, with a focus on consumer outcomes, such as switching fees, conflicts of interest and value-for-money aspects, including for individual pension products.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.21 MALTA

### RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

#### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

#### Evidence

MFSA-MT developed and implemented a more structured framework to guide supervisors in assessing how POG requirements are applied in practice, notably for IBIPs and more broadly for life insurance products. The framework is set out in an internal POG supervisory procedure that provides a clear methodological basis for POG supervision and is aligned with both EIOPA's Approach to the Supervision of POG and the Authority's conduct supervision guidance.

MFSA-MT developed an internal POG supervisory procedure setting out the supervisory processes and methodologies applied to POG-related engagements across the product lifecycle. The procedure formalises how supervisors assess key POG elements, including product approval, target market definition, product testing, distribution strategy, monitoring and review, and value-for-money considerations. It was reviewed and updated to reflect expectations on value-for-money following a thematic review conducted by the Authority. In developing and updating the procedure, MFSA-MT drew extensively on the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG. The procedure is also aligned with MFSA's own guidance to industry.

Operationally, the internal POG procedure is used as a practical reference for different supervisory engagements, including on-site inspections, off-site reviews and thematic work. It supports consistent information requests and the assessment of POG-related documentation. The procedure also served as the foundation for a 2025 thematic review on value-for-money and subsequently

updated to incorporate tools developed during the thematic review (e.g. industry questionnaires) strengthening the consistency and effectiveness of subsequent supervisory work.

### **Conclusion**

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.22 NETHERLANDS

### RECOMMENDED ACTION – RISK-BASED APPROACH

#### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision of life insurance that fully incorporates POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action also taking into account customer outcomes.

#### Evidence

AFM-NL developed and began to operationalise a more systematic and risk-based framework for the conduct supervision of life insurance, using defined product-related and undertaking-related indicators to identify potential consumer risks and to support prioritisation and follow-up supervisory engagement.

In particular, AFM-NL developed a risk-based dashboard for the supervision of the life insurance sector (Data Dashboard Life Insurance – DDL). This approach provides supervisors with a structured view of the life insurance market, undertaking-level insight and hypothesis-based monitoring of key risks, supporting supervisory prioritisation and follow-up actions.

The DDL combines multiple data sources and is organised around five risk hypotheses used to identify potential consumer risks and to guide supervisory focus. AFM-NL has developed a proof-of-concept implementing two risk hypotheses and is currently developing the full dashboard incorporating all five hypotheses (with further refinements planned). The proof-of-concept dashboard outputs support supervisory work and dialogue with insurance undertakings, including monitoring closed-book portfolios and using product and policy data to challenge undertakings' own assessments.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.23 NORWAY

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

NFSA-NO embedded POG supervision within its conduct supervisory set-up and reflected consumer protection (including supervision of insurance and pension products) in its strategic framework. This is underpinned by organisational arrangements and resourcing for POG supervision, supported by internal structures, documented guidance and staff capability-building.

POG supervision features explicitly in the Authority's 2023–2026 strategy (Strategy Finanstilsynet 2023-2026) under its operational objective on consumer protection, which sets supervisory expectations for service providers to safeguard customer interests and for supervisory activities to promote appropriate distribution of insurance and pension products.

NFSA-NO also reported organisational measures, including the establishment of a working group on POG supervision for banks and insurance undertakings, led by the Banking and Insurance Conduct Supervision Unit. The Unit (established in May 2022) is reported to be fully staffed, with employees whose profiles and expertise are directly relevant to POG supervision.

In terms of capability-building, NFSA-NO reported ongoing training and knowledge-sharing, including participation of staff involved in POG supervision of life insurance in EIOPA workshops and internal dissemination of POG knowledge through presentations delivered by the head of the POG working group to staff in the Conduct Supervision Unit.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

NFSA-NO applied elements of proportional prioritisation in practice and has embedded POG checks in its supervisory framework and on-site work. However, it has not established or documented a dedicated, systematic risk-based framework for POG supervision for IBIPs, nor a clear link from risk assessments to ongoing supervisory planning and prioritisation, as envisaged by the recommended action.

NFSA-NO has not put in place the core components of a structured risk-based framework, such as a documented set of POG/IBIP risk indicators (quantitative and qualitative), structured product-level and undertaking-level risk assessments (e.g. risk maps/heatmaps), defined undesired consumer outcomes and related monitoring measures, and a clear process showing how these assessments feed into supervisory planning and prioritisation.

At the same time, POG is integrated into the supervisory framework used by the Banking and Insurance Conduct Supervision Unit and NFSA-NO has updated its internal on-site supervisory manual to include POG requirements, information requests and assessment criteria, supporting the consistent inclusion of POG considerations in supervisory work. In addition, NFSA-NO has

systematically included POG supervision in all on-site inspections of life insurance undertakings since end 2022 and organised these inspections to achieve high market coverage, reflecting a pragmatic prioritisation based on materiality/market significance.

However, NFSA-NO has not developed a formal framework for POG supervision specific to life insurance, because the IBIPs offering is relatively small in Norway and because of the risk profile of these products (simple UCITS-linked products with a limited insurance element and no binding period).

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

While EIOPA recognises that POG supervision must be proportionate to the materiality of the risks, taking into account market size as well as the nature, scale and complexity of those risks, NFSA-NO has not implemented the structured risk-based framework envisaged by the recommended action to ensure continuous and systematic identification, assessment and prioritisation of POG/IBIP-related risks (e.g. defined indicators, risk scoring/assessment outputs and a clear link to supervisory planning and follow-up).

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

NFSA-NO communicated certain POG-related messages to supervised entities primarily through the publication of final on-site inspection reports, but has not formulated or communicated a comprehensive, structured set of supervisory expectations covering all elements of the POG framework applied to IBIPs, as envisaged by the recommended action.

In particular, NFSA-NO has limited its communication of supervisory expectations on POG primarily to publishing on its website all final reports from on-site inspections and indicated that it expects supervised entities to read and learn from those reports.

While inspection reports are a relevant supervisory output, they do not constitute a systematic, market-facing articulation of supervisory expectations covering the full range of POG requirements applied to IBIPs (e.g. target market, product testing/review, distribution governance and ongoing monitoring). Reliance mainly on post-hoc publication of inspection findings therefore does not provide sufficient clarity or predictability to the wider market, nor a clearly structured basis for supervisory follow-up and challenge.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered not **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

NFSA-NO strengthened its internal POG supervisory tools by embedding POG in the framework for conduct supervision and updating its internal on-site supervisory manual to cover key requirements, information requests and assessment criteria. However, the evidence provided does not demonstrate a comprehensive, well-structured set of documented processes and tools supporting both on-site and off-site POG supervision, as envisaged by the recommended action.

NFSA-NO integrated POG supervision into the supervisory framework used by the Banking and Insurance Conduct Supervision Unit and updated its internal on-site supervisory manual so that it explicitly sets out the relevant POG requirements, the information to be obtained from supervised entities and the assessment criteria to be applied. These tools are used in practice through an on-site programme carried out by the Banking and Insurance Conduct Supervision Unit in cooperation with the Insurance Supervision Unit (with inspections covering a substantial share of the IBIPs market), which supports the consistent inclusion of POG considerations in on-site workstreams.

However, the above mainly demonstrates enhancements to on-site guidance and does not sufficiently evidence a broader set of documented, structured methodologies and tools to support both on-site and off-site POG supervision (e.g. defined off-site procedures and standardised templates/checklists to ensure consistent assessments across the product lifecycle).

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

NFSA-NO carried out a systematic programme of supervisory activities to assess the effective application of POG requirements in practice, primarily through structured on-site inspections and proportionate follow-up actions. While the Norwegian IBIPs market is small and products are

relatively simple, NFSA-NO has nonetheless ensured that POG requirements receive substantial emphasis in supervisory work, in line with the proportionality principle and the recommended action.

Since late 2022, NFSA-NO included POG supervision in all on-site inspections of life insurance undertakings, covering more than half of the undertakings active in the IBIPs market (7 in total, with one reporting negligible activity) and over 80% of premiums. These inspections assessed key POG elements, including product approval processes, target market definition, product testing, distribution arrangements, and ongoing monitoring and review. NFSA-NO reported that follow-up work is ongoing for the largest undertaking (representing more than 60% of the market), and that an additional on-site inspection of another major undertaking has been scheduled, further increasing market coverage.

POG requirements are embedded in the Authority's on-site supervisory manual, which sets out the information to be obtained and the assessment criteria to be applied. This ensures that POG receives consistent and substantial emphasis during inspections, even when broader conduct or prudential topics are also covered.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.24 POLAND

### RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

#### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

#### Evidence

KNF-PL formulated and communicated supervisory expectations on POG requirements and has engaged with the market to communicate, consult on and refine these expectations. Although the revised 2016 Recommendations (or the draft Statement) have not been formally issued during the reference period, KNF-PL has already articulated the substance of its expectations, consulted the market on them and applied them in supervisory dialogue and follow-up, thereby meeting the core elements of the recommended action.

In particular, KNF-PL prepared a draft Statement on selected issues related to POG addressed to insurance undertakings (including specific POG requirements applied to IBIPs) and launched a consultation via the Polish Chamber of Insurance (PIU) in July 2024, followed by a meeting with selected undertakings in October 2024 to discuss feedback. Following this consultation, KNF-PL decided to revise and update the existing 2016 Recommendations to incorporate the content of the draft Statement and ensure a single, coherent set of expectations for the market. KNF-PL reported that the revised Recommendations are at an advanced stage of preparation, reflecting a comprehensive and structured articulation of supervisory expectations on POG, including for IBIPs.

KNF-PL also referred to additional communication activities (e.g. a POG presentation at an external conference) and to supervisory follow-up work in the unit-linked/IBIPs segment, including thematic reviews in 2024–2025, feedback provided through the risk assessment framework process, verification of mitigation measures and ongoing monitoring linked to its July 2021 product intervention. These actions demonstrate that KNF-PL has not only formulated expectations but has also communicated and operationalised them in supervisory practice, challenging undertakings' POG arrangements and requiring improvements where necessary.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

KNF-PL has increased supervisory activity relevant to IBIPs/unit-linked products, including thematic reviews on POG and value-for-money, ongoing monitoring linked to its July 2021 product intervention and unit-linked fund oversight, and insurance distribution inspections, complemented by a limited number of on-site supervisory visits. However, during the period assessed, these activities have not yet resulted in a sufficiently systematic programme of on-site and off-site assessments of manufacturers’ compliance with POG requirements across an adequate number of IBIPs, as envisaged by the recommended action. Several activities remain primarily focused on value parameters and distribution compliance, and additional POG-relevant work is planned for 2026.

KNF-PL conducted thematic reviews in 2024 and 2025 on POG implementation and value-for-money in IBIPs, covering 11 undertakings each year and collecting information on POG policies and their application across the core POG elements. The reviews included a product-level focus on each undertaking’s three highest-premium IBIPs and gathered information (including quantitative and qualitative indicators used by undertakings) on target market identification, product testing, distribution strategy, and product monitoring and review. Findings were fed into the risk assessment

process, with supervisory feedback and follow-up, and where shortcomings were identified, undertakings were required to provide mitigation measures.

In parallel, KNF-PL carried out ongoing monitoring through annual verification linked to the July 2021 product intervention and quantitative analysis of unit-linked funds. KNF-PL reported analysing around 340 unit-linked funds during the reference period based on fund rules/investment policies and periodic data. In addition, KNF-PL reported annual verification of manufacturers' active IBIPs against the product intervention criteria, based on detailed product parameters collected from undertakings. This combination of fund-level analysis and product-level verification has been used to support risk assessment and to trigger enhanced supervisory follow-up where necessary.

Regarding on-site activity, KNF-PL regularly conducts inspections of insurance distribution (on average 15 inspections per year), covering, among others, the performance of information obligations towards customers, the proper conduct and documentation of customer needs surveys and the provision of advice consistent with customers' needs and expectations. Where necessary, inspections are followed by instructions and subsequent verification of implementation.

The recurring thematic reviews, annual intervention-related verification, structured RAF-based follow-up on mitigation actions and regular distribution inspections demonstrate a systematic programme of supervisory activities addressing POG requirements in practice for IBIPs.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.25 PORTUGAL

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

ASF-PT strengthened the organisational set-up for POG supervision by embedding POG priorities into supervisory planning, developing processes and tools to identify products requiring closer monitoring, and enhancing resourcing for life insurance products, including IBIP-related supervisory work.

ASF-PT established a structured framework to capture product-related conduct risk signals and identify IBIPs that may require closer monitoring from a POG perspective. This includes a process to identify higher-risk products through the use of product-related information and early-warning signals. ASF-PT screens new or modified products through the analysis of PRIIPs KID pre-notifications to detect potential issues (including product design and target market alignment), complemented by a press service to monitor relevant market developments and identify product launches that may warrant supervisory attention.

In addition, POG supervision is reflected in the Authority's annual supervisory planning, through the incorporation of POG-related priorities arising from a conduct risk assessment framework, supporting the systematic integration of POG requirements into ongoing supervisory activities.

On internal organisational arrangements and resources, ASF-PT has increased the Life Insurance Supervision Team from two to three FTEs, supported by a team leader partially dedicated to POG-related matters, providing evidence of strengthened internal capacity for POG supervision.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

ASF-PT strengthened its risk-based framework for conduct supervision to incorporate POG considerations by operationalising the revised risk assessment model, which combines product-specific and undertaking-specific assessments and is used to identify POG-relevant risks impacting consumers across the product lifecycle, with a clear link to supervisory planning and follow-up.

ASF-PT's revised risk assessment model (ARCO) is structured around three complementary components – quantitative, qualitative and governance – which are used to assess risk indicators, produce risk scoring and support supervisory judgement. The development and refinement of ARCO is overseen by a dedicated management and development function, incorporates inputs from conduct supervision teams and market data, and is subject to periodic internal review (three dedicated workshops per year) to calibrate outputs and reflect market developments. ASF-PT also relies on a scoring model and dashboards to support oversight across undertakings, thematic areas and lines of business, including year-on-year comparisons.

Outputs from ARCO are integrated into the Authority's annual supervisory planning and are used to identify undertakings and products presenting higher consumer risk, and to set POG-related supervisory priorities and actions. This includes reprioritisation during the year where new risk signals emerge, including product-specific signals arising from the PRIIPs KID pre-notification process, thereby supporting a systematic link between risk identification, prioritisation and targeted supervisory follow-up.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

ASF-PT communicated POG-related expectations in some areas, notably through a market recommendation focused on target market issues (triggered by mis-selling concerns for IBIPs) and through undertaking-level supervisory dialogue and follow-up linked to supervisory actions. However, the evidence does not demonstrate a comprehensive and structured set of supervisory expectations covering all phases of the POG process for IBIPs (e.g. product testing and product monitoring/review), as envisaged by the recommended action.

ASF-PT issued a market-wide recommendation on aligning the target market for IBIPs, in response to multiple complaints relating to mis-selling to elderly clients, supported by on-site supervisory actions. This was complemented by coordination with the distribution supervision function and follow-up engagement with Banco de Portugal to agree joint actions aimed at strengthening consumer protection.

In addition, expectations were communicated through supervisory dialogue and undertaking-level follow-up. Following on-site actions, undertakings receive a draft report (right to be heard) prior to the final letter, and ASF-PT engages with undertakings by email and/or meetings; where cross-market issues are identified, ASF's approach foresees the issuance of circular letters. In off-site work, ASF also engages via email/meetings, including in the PRIIPs KID pre-notification process where undertakings are contacted in cases of inconsistencies or doubts (around 31% of cases over 2023–2025).

However, the evidence provided does not demonstrate a market-facing articulation of supervisory expectations that covers all POG elements for IBIPs in a formalised and comprehensive manner. In particular, beyond target market expectations, the evidence does not show structured expectations being communicated for other phases of the POG process (notably product testing and ongoing product monitoring and review), nor a systematic approach to communicating expectations across the market as a whole.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

ASF-PT established clearer and more structured supervisory methodologies and tools to assess POG requirements applied to IBIPs, combining a risk-based methodological framework (ARCO) with operational supervisory procedures for both on-site and off-site work (including systematic PRIIPs

KID pre-notification review and checklists), and strengthening practical guidance through updated internal procedures and manuals.

ASF-PT developed a structured supervisory process to support the assessment of POG requirements, including the use of an updated methodological framework supported by the ARCO scoring model and associated dashboards. These tools provide supervisors with a consolidated view of risk signals across undertakings, thematic areas and lines of business, supporting consistent risk analysis, prioritisation and follow-up.

In addition, ASF-PT applies a systematic process for the review of all IBIPs/PRIIPs submitted through its pre-notification system. IBIPs are pre-submitted via the Authority's online portal and pre-notifications are analysed within two working days. Supervisors use an established checklist to verify compliance of the submitted PRIIPs KIDs with regulatory requirements and assess the alignment between the product's characteristics and the intended target market. Where inconsistencies or doubts are identified, undertakings are contacted for clarification. This process involves the review of more than 500 PRIIPs KIDs per year, ensuring systematic and consistent supervisory scrutiny.

ASF-PT also took steps to enhance the practical application of its methodologies by incorporating POG considerations into its on-site and off-site procedures and supervisory manuals. A dedicated chapter on POG supervision was further developed as part of the technical assistance programme (TSI – Technical Support Instrument) managed by the European Commission's Directorate-General for Structural Reform Support (DG REFORM), providing more structured internal guidance for supervisors when assessing POG requirements in practice and supporting a more consistent operational approach.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a

“customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

ASF-PT developed a systematic programme of supervisory activities to assess the effective application of POG requirements in practice, combining on-site inspections (including joint on-site actions with distribution supervision) and targeted off-site work supported by the ARCO risk framework and a systematic PRIIPs KID pre-notification screening. ASF-PT is formalising a common approach to supervisory communications and targeted engagement with undertakings to ensure consistent follow-up.

Supervisory activity comprises both planned and reactive components. On-site actions are undertaken each year in line with the annual supervision plan, while off-site actions are initiated where products are identified as potentially posing consumer risk. ASF-PT reported two joint on-site actions with the Distribution Supervision Department covering two insurance undertakings and their associated banks, focused on sales outside the identified target market of unit-linked products; these actions contributed to a market recommendation to align target markets for IBIPs following complaints about mis-selling to elderly clients. Off-site work is supported by the systematic review of all PRIIPs KID pre-notifications. Where a product raises concerns (e.g. value-for-money, guarantees or target market suitability), manufacturers are contacted and requested relevant POG documentation.

Supervisory actions cover different POG phases, with most actions addressing the broader POG process and some focusing more narrowly on target market issues in response to complaints about sales outside the identified target market. ASF-PT clarified that, in general, all POG phases were analysed across supervisory actions, with three exceptions where the supervisory challenge focused exclusively on target market definition due to complaint-based evidence of sales outside the identified target market. For the remaining supervisory activities, ASF-PT indicated that it analysed product contracts, requested evidence of product testing and required evidence supporting product monitoring and review.

ASF-PT also reported that it is strengthening the consistency of communication and follow-up by developing a common protocol for how deficiencies identified in supervisory actions are communicated to inspected undertakings and how remediation is tracked. This enhancement is intended to support more consistent communication and tracking of remediation across supervisory actions.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.26 ROMANIA

### RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

#### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

#### Evidence

ASF-RO formulated and communicated supervisory expectations on POG requirements through formal, market-wide recommendations issued on a “comply or explain” basis, addressed to the entire insurance market (including for IBIPs). ASF-RO is following up on these expectations through planned and ongoing supervisory work, including activities on product monitoring and review and value-for-money considerations.

ASF-RO published a set of recommendations to the market concerning the application of the POG Delegated Regulation, setting out ASF-RO’s expectations in a formal and publicly accessible manner and ensuring visibility to relevant stakeholders. The recommendations were addressed to the entire market and apply across insurance products, reflecting the domestic market context. In addition, following a thematic review of unit-linked products, ASF-RO published further market recommendations on a “comply or explain” basis and issued individual recommendations to undertakings where entity-specific deficiencies were identified.

In addition, ASF-RO’s annual supervisory planning includes POG-related activities. In 2025, ASF-RO launched a market-wide questionnaire on product monitoring and review processes (covering governance/process aspects and value-for-money considerations), with findings to be consolidated at undertaking and market levels and presented to the Authority’s Board together with proposals for supervisory measures.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

ASF-RO strengthened its supervisory methodologies and tools to assess how POG requirements are applied in practice by introducing structured internal guidance and standardised supervisory tools to support more consistent assessments. These developments reflect the characteristics of the domestic insurance market and the nature, scale and complexity of risks, and are embedded in ASF-RO's internal supervisory processes.

ASF-RO developed a product factsheet template that insurance undertakings must complete for each new product and for significant product reviews and is intended to provide supervisors with a standardised overview of key POG elements. The template was issued to all insurance undertakings and captures key POG elements, including product approval, target market definition, product testing, distribution strategy, monitoring and review arrangements, as well as expected profitability, risks covered and exclusions. This supports a standardised and comparable off-site analysis across insurance undertakings and products.

ASF-RO also strengthened its internal guidance through a conduct supervisory manual that includes a dedicated POG chapter and an instruction to guide the verification of POG requirements. These internal documents provide a structured basis for supervisors to assess core POG components and related control points within undertakings' governance and internal control systems, including the product approval process, target market, product testing, distribution, monitoring and product review.

ASF-RO operationalised these tools through a document-upload platform, used from 2025 onwards to collect undertakings' relevant policies, procedures and product documentation, including product factsheets. Since 2025, undertakings are required to upload these materials to the platform for supervisory review. Supervisors review the uploaded information as part of ongoing off-site supervision and use it to support follow-up engagement with undertakings where deficiencies or gaps are identified.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

ASF-RO carried out supervisory activities to assess the effective application of POG requirements in practice, notably through a market-wide thematic review covering all undertakings with active unit-linked products, and it has embedded POG-related work in its annual supervisory planning, including IBIP-focused activities and on-site inspections under the Integrated Annual Control Plan.

ASF-RO carried out a thematic review of unit-linked life insurance products to assess key POG-related elements in product design and customer outcomes. The review examined product characteristics and contractual terms, including how costs and contractual fees are presented, how benefits/indemnities are calculated, exclusions and other clauses that could be detrimental to

customers, as well as the criteria used to identify the target market. Thematic work also covered distribution-related elements relevant to POG, including pre-contractual information and advice processes, the assessment of customers' demands and needs and how distributors match customers with recommended products.

The thematic review was followed by market-level recommendations on a "comply or explain" basis and by undertaking-specific recommendations where individual deficiencies were identified. ASF-RO reported that the thematic review report was endorsed for submission to ASF's Board together with a proposal to publish the market recommendations, and that individual recommendations were sent to undertakings where deficiencies were identified, providing a concrete basis for supervisory follow-up.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.27 SLOVAKIA

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

NBS-SK took steps to strengthen the organisation of POG supervision by clarifying internal responsibilities and developing documentation intended to define objectives and embed a risk-based approach to POG supervision. However, key elements are not yet fully established and embedded in practice, most notably the formal approval and completion of core internal documentation to support consistent day-to-day supervision and the allocation of adequate dedicated resources for POG supervision, as envisaged by the recommended action.

To support a more structured framework for POG supervision, NBS-SK prepared an internal instruction on POG supervision and the risk-based approach intended to set out the purposes, objectives and types of POG risk assessments. However, formal approval of this document is on hold pending completion of other parts of the broader conduct risk assessment framework.

Furthermore, NBS-SK also developed internal documents for on-site supervision planning and execution. At the same time, an off-site supervision document covering POG-specific aspects remains under preparation, with completion currently envisaged for the second quarter of 2026. Current internal documentation for off-site supervision is already in use (including a general off-site framework covering thematic and ad hoc off-site supervision and POG-specific provisions for continuous off-site supervision) but remains subject to finalisation as part of the broader off-site manual.

In terms of organisational arrangements, NBS-SK has an established organisational set-up for POG supervision, setting responsibilities within its supervisory structure and cooperation arrangements across relevant departments. A coordinator role is also described for POG-related matters, supporting internal information-sharing with supervisors responsible for individual undertakings. Regarding resources, staffing dedicated to POG supervision has not increased since the peer review due to budget constraints. While the organisational set-up supports internal coordination, unchanged resourcing continues to limit dedicated capacity.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

NBS-SK established a systematic and proportionate risk-based framework for conduct supervision that incorporates POG requirements and supports the identification of risks impacting consumers and the prioritisation of supervisory action.

In particular, NBS-SK established a documented risk-based approach for POG supervision, setting out the purposes and objectives of POG supervision and the main types of risk assessments applied. The framework combines market-wide, undertaking-specific and product-specific risk assessments, operationalised through a documented scoring methods to identify POG areas and products

warranting closer supervisory attention, and to inform supervisory planning and follow-up. At market level, it performs an annual conduct/POG assessment of manufacturers' POG policies structured around six core POG subcategories and a 71-area assessment grid, derived from EIOPA guidance, to identify weaknesses and set thematic priorities. At undertaking level, NBS-SK periodically tiers undertakings based on portfolio size/structure, market share, life/non-life activity and IBIPs sales to calibrate supervisory intensity and feed into the annual qualitative risk assessment and Board-level discussions. Finally, at product level, it collects annual product data to support ad hoc assessments, using complexity, value-for-money indicators and portfolio scale to gauge consumer impact and trigger further scrutiny.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

NBS-SK effectively formulated supervisory expectations on POG and engaged with the market to communicate and consult on these expectations. Although the formal written guidelines were not issued during the reference period, NBS-SK has already articulated the substance of its expectations and consulted the market on them.

NBS-SK prepared formal written guidelines (Methodological Guidance on the Application of Commission Delegated Regulation (EU) 2017/2358) setting out a comprehensive set of expectations for insurance manufacturers (including for IBIPs), drawing on the findings of the 2022–2024 market-wide exercise. The draft guidelines were shared with SLASPO (the Slovak Insurance

Association) for industry feedback, in line with the Authority's established practice of consulting the market to support correct application and reduce divergence in interpretation. The draft is also being presented internally to other departments prior to formal issuance. In parallel, NBS-SK has been providing undertaking-specific feedback on deficiencies identified in supervisory activities.

While NBS-SK indicated that a more systematic follow-up is expected after an implementation period, this does not preclude fulfilment of the recommended action, given that the substance of the expectations has been articulated and communicated through the market consultation process and supervisory dialogue, and NBS-SK is already challenging POG arrangements through supervisory activities and communicating deficiencies to undertakings.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

NBS-SK made progress in defining the risk-based approach and on-site supervisory frameworks but still lacks a finalised and formally approved off-site supervisory manual incorporating POG-specific procedures, as envisaged by the recommended action.

NBS-SK prepared an internal document which sets out the purposes and objectives of POG supervision and the types of risk assessment. However, the final version of this document remains

on hold pending completion of the broader conduct risk assessment framework, implying that the risk-based framework for POG supervision is not yet fully formalised or approved.

NBS-SK developed methodologies covering on-site supervision and planning. These documents provide structure for planning and conducting on-site work, but they do not yet constitute a complete end-to-end supervisory methodology for POG across both on-site and off-site activities. Regarding off-site supervision, while processes are in use, including a general off-site framework covering thematic work and ad hoc off-site supervision (including POG thematic/ad hoc work) as well as specific provisions for continuous off-site supervision of POG, the broader dedicated off-site manual remains under development, with finalisation currently envisaged for the second quarter of 2026. NBS-SK also reported that it uses practical off-site tools (e.g. annual product-level data collection and templates for assessing manufacturers' POG policies and products), but these do not yet substitute a consolidated off-site manual setting out standard workflows, procedures and instructions for supervisors.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

## Evidence

NBS-SK carried out supervisory activities through a structured supervisory programme of on-site inspections, off-site analyses and thematic reviews, to assess how POG requirements are applied in practice.

In particular, over 2022–2024, NBS-SK carried out a market-wide off-site supervision exercise covering 11 insurance undertakings (with two later excluded due to licence withdrawal/merger) and three major branches. The exercise was structured in three phases: (i) assessment of manufacturers' POG policies using a dedicated assessment template, with results feeding into the annual qualitative risk assessment; (ii) assessment of each manufacturer's main IBIPS using a product-assessment template and the full set of POG documentation available for the assessed products; and (iii) assessment of potential mis-selling cases for products reviewed in phase (ii), based on samples of 16 contracts per product.

The market-wide work was complemented by four on-site inspections focused on assessing the effective implementation of POG arrangements in the manufacturing process for IBIPs. The on-site inspections identified breaches and supervisory recommendations.

In addition, from 2025 NBS-SK introduced annual POG data collection at product-level to support ongoing monitoring and to inform supervisory prioritisation and follow-up where product-level risk signals emerge.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.28 SLOVENIA

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

AZN-SI embedded POG supervision within its ongoing supervisory work and has formalised its approach through documented internal processes, including internal rules on POG supervision and an internal manual for IDD and POG supervision. These documents set out the purposes and objectives of POG supervision and support a structured, risk-based approach to identifying products that may require closer monitoring, and to plan supervisory work in a manner proportionate to the characteristics of the domestic insurance market and to the nature, scale and complexity of risks.

AZN-SI implemented internal rules on POG supervision (first adopted in 2023 and subsequently updated), which set out the supervisory framework and define the scope, objectives and methodology for POG supervision. The framework includes both product-specific and undertaking-specific risk assessments, supported by scoring rules to capture product-related conduct risk signals and determine which products may require closer monitoring from a POG perspective, as well as documenting supervisory planning.

In terms of organisational arrangements, POG supervision is carried out within the existing departmental structure and no changes to the allocation of responsibilities or roles have been introduced. While no increases in staffing levels were reported, the evidence indicates that the Authority allocates staff with the necessary skills and expertise to carry out POG supervision.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

AZN-SI strengthened its organisational set-up for POG supervision by introducing a more structured framework and documented arrangements (including planning and internal guidance) to identify and prioritise POG-relevant risks in the IBIPs market and to embed these considerations into ongoing supervisory activities.

AZN-SI formalised its approach to POG supervision through internal rules on POG supervision, including POG supervisory planning elements and an internal manual for IDD and POG supervision, intended to support the consistent application and documentation of POG assessments in both on-site and of-site work.

POG is embedded in ongoing monitoring and planning through formalised selection criteria used to prioritise supervisory attention at both manufacturer level (including market share, time since last POG supervision and types of products marketed) and product level (including product risk and complexity for customers), complemented by market indicators such as complaints and surrender information. These inputs are used to plan supervisory coverage of all product manufacturers within

a defined cycle (at least every five years), with the possibility of earlier intervention where risk indicators warrant accelerated supervision.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

AZN-SI communicated POG-related supervisory expectations primarily through supervisory dialogue and undertaking-specific follow-up where deficiencies were identified. However, AZN-SI has not communicated a comprehensive, market-facing set of supervisory expectations covering all POG elements for IBIPs in a formalised way (e.g. written guidance or equivalent), nor demonstrated systematic follow-up against such expectations across the market, as envisaged by the recommended action.

In practice, AZN-SI reported communicating expectations through market-wide meetings coordinated by the Slovenian Insurance Association with the participation of all insurance undertakings, as well as bilateral meetings held at the request of individual undertakings to discuss supervisory findings and implementation challenges. These exchanges provided opportunities to clarify POG requirements but did not amount to a structured, market-wide articulation of expectations.

However, as indicated by AZN-SI, these interactions were non-formal, case-specific and tailored to the undertakings' business models or product characteristics. AZN-SI further clarified that it deliberately did not formalise supervisory expectations through written guidance or meeting

records, with the stated objective of supporting a proportionate and flexible application of EIOPA guidance and avoiding “binding interpretations” applicable across undertakings irrespective of their business model. This approach limits the clarity and predictability of expectations for the wider market.

In addition to supervisory dialogue, AZN-SI undertook supervisory actions covering different POG phases and communicated identified deficiencies to undertakings. These actions addressed both the POG arrangements for newly developed or significantly changed products and the adequacy of undertakings’ overall POG frameworks, including aspects such as product complexity/proportionality, target market, distribution strategy, product testing and product monitoring and review. However, these actions were undertaken on a case-by-case basis and were not framed against a publicly communicated set of supervisory expectations, which constrains their ability to serve as a consistent reference point for the market as a whole.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA’s Supervisory Handbook and EIOPA’s Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority’s framework for POG supervision and other supervisory tools.

### Evidence

AZN-SI established more structured methodologies and tools for POG supervision, formalised in internal documentation and aligned with the Chapter on POG of EIOPA’s Supervisory Handbook and EIOPA’s Approach to the Supervision of POG, providing practical procedures and detailed internal

processes to support consistent on-site and off-site work across insurance undertakings and products.

In particular, POG supervision is carried out under AZN's internal rules on POG supervision, a comprehensive internal document first adopted in 2023 and subsequently updated. These rules set out the objectives, scope, planning principles, risk-based scoring methodology, supervisory procedures and documentation requirements for POG supervision, taking into account the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG.

In addition, the supervision of each insurance undertaking is performed in line with an internal manual for IDD and POG supervision (Piročnik\_Postopek pregleda POG), which AZN-SI uses to plan and conduct detailed reviews of POG and IDD topics. This manual operationalises the supervisory process by setting out step-by-step procedures, assessment criteria, information sources and documentation templates, and is used for both on-site and off-site supervision.

AZN-SI's supervisory methodology is further supported by a risk-based scoring system, embedded in the internal rules on POG Supervision, which assesses both product-specific and undertaking-specific risks and informs the prioritisation of supervisory actions.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a "customer-centric" approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

## Evidence

AZN-SI carried out supervisory activities through a structured supervisory programme of on-site inspections, off-site analyses and thematic reviews, aimed at evaluating how POG requirements are applied in practice in a proportionate manner given the characteristics of the domestic insurance market and to the nature, scale and complexity of risks.

The programme of supervisory activities is documented in the internal rules on POG supervision. AZN-SI carries out systematic supervisory activities, including on-site inspections, off-site inspections and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs. Supervisory activities cover the full product lifecycle and the adequacy of undertakings' POG frameworks, explicitly including IBIPs. Key focus areas include strategic design, such as target market identification and the proportionality principle; distribution oversight, covering agreements and information flows; and pre-launch assessments, including product testing and value-for-money checks.

Since the Slovenian IBIPs market is small, AZN-SI supervises each and every product manufacturer at least every five years and reviews all insurance products as part of that cycle. Shorter cycles can occur if the risk-scoring at product or undertaking level implies earlier supervision. In practice, POG work is sequenced so that on-site POG checks are carried out when an undertaking is scheduled for on-site supervision; otherwise, undertakings are subject to off-site POG review within a three- to five-year cycle. The scoring methodology and risk-scoring can accelerate reviews and trigger thematic or ad hoc inspections between cycles. Follow-up is supported through a graduated escalation approach: supervisory dialogue is used to clarify expectations and remediation, followed (where deficiencies persist) by recommendations and/or warnings, and ultimately formal orders to eliminate violations if issues are not adequately addressed.

## Conclusion

Based on the assessment of the information provided, the recommended action is considered **fulfilled**.

## 4.29 SPAIN

### RECOMMENDED ACTION – ORGANISATION AND RESOURCES OF POG SUPERVISION

#### Main findings

The Authority was recommended to have in place a well-defined and comprehensive structure for POG supervision which was proportionate to the (existing and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives.

Moreover, the Authority was recommended to ensure that POG supervision was embedded in ongoing supervisory activities and was fully reflected in the Authority's strategy. The above should have been set out in documentation, which was known, understood and applied throughout the organisation.

In addition, the Authority was recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should have been proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.

#### Evidence

DGSFP-ES took some steps to enhance the organisation and resourcing for POG supervision but does not yet have in place a well-defined organisational structure for POG supervision, with clearly defined purposes and objectives, embedded in ongoing supervisory activities and reflected in its strategy through documented internal arrangements understood and applied across the Authority, as envisaged by the recommended action.

DGSFP-ES increased staff in the Market Conduct Area from three to six, which represents progress in overall conduct supervisory capacity, although not all resources are dedicated exclusively to POG-related tasks. The Authority also indicated that the Market Conduct Area operates as a transversal function and that supervisory actions are carried out both by market conduct inspectors and by inspection teams (with market conduct support), rather than through a dedicated POG unit.

Beyond this increase in resources, DGSFP-ES indicated that further elements expected under the recommended action are still under development. DGSFP-ES reported that it uses an internal system through which supervisors access documentation and supervisory criteria and that it is elaborating additional documents focused on POG supervision, taking the Chapter on POG of EIOPA's Supervisory Handbook as a reference. The documents under development are intended to clarify, inter alia, what constitutes a significant adaptation, how to supervise target market delimitation (including consideration of product characteristics, risk profile, complexity and nature) and the concept of a negative target market.

Furthermore, DGSFP-ES reported that as part of the technical assistance programme (TSI – Technical Support Instrument) managed by the European Commission’s Directorate-General for Structural Reform Support (DG REFORM), it aims to develop POG-related supervisory deliverables. The project also foresees dedicated training to support operational implementation. However, as indicated by DGSFP-ES, these outputs are still under development and are not yet implemented or embedded in DGSFP-ES’s day-to-day supervisory practice.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

EIOPA recognises that DGSFP is implementing the recommended action as part of the technical assistance programme from DG REFORM and expects the recommended action to be fulfilled once the project deliverables are fully implemented.

## RECOMMENDED ACTION – RISK-BASED APPROACH

### Main findings

The Authority was recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporated POG requirements. The framework should have included both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework should have been integrated and aligned with the Authority's strategy.

The framework should have relied on measures (quantitative and qualitative) to assess how products impacted consumers and the likelihood of the materialisation of risks. The Authority should have identified and documented a comprehensive set of product risks it expected manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures led to good consumer outcomes. The Authority should, furthermore, have defined undesired consumer outcomes and assessed whether supervised entities had in place their own notion of good consumer outcomes.

### Evidence

DGSFP-ES has not implemented and operationalised a systematic risk-based approach to conduct supervision that incorporates POG requirements, as envisaged by the recommended action. The measures described remain under development and are yet to be fully implemented and embedded in day-to-day supervisory practice.

In particular, DGSFP-ES reported that, as part of the technical assistance programme (TSI – Technical Support Instrument) managed by the European Commission’s Directorate-General for Structural Reform Support (DG REFORM) it will obtain technical support to develop a conduct risk assessment framework, together with related training. However, the information provided indicates that these outputs are still under development and are not yet implemented or operationalised. As a result, the evidence does not demonstrate a functioning framework that links risk identification to supervisory prioritisation and follow-up, including for POG-related risks.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

EIOPA recognises that DGSFP is implementing the recommended action as part of the technical assistance programme from DG REFORM and expects the recommended action to be fulfilled once the project deliverables are fully implemented.

## RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

### Evidence

DGSFP-ES communicated certain POG-related messages, notably via published supervisory priorities and supervisory dialogue. However, the information provided does not demonstrate that it has formulated and communicated a comprehensive set of supervisory expectations covering all POG elements for IBIPs, nor that these are supported by a structured follow-up approach, as envisaged by the recommended action.

POG-related expectations have primarily been communicated through supervisory dialogue, including during on-site and off-site inspections, and through bilateral engagement with industry

associations. However, the evidence does not provide sufficient detail on the specific expectations communicated (in particular for IBIPs), the scope of these interactions, or systematic follow-up against communicated expectations.

DGSFP-ES' published supervisory priorities for 2023–2025 refer, at a high level, to the supervision of value-for-money in relation to IBIPs as a market conduct priority. While this supports transparency on areas of focus, it does not set out detailed supervisory expectations on how the full range of POG requirements should be applied in practice for IBIPs.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of the EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

DGSFP-ES has not put in place fit-for-purpose supervisory methodologies and tools to support structured and consistent on-site and off-site POG supervision for IBIPs, as envisaged by the recommended action.

DGSFP-ES reported that it is working on the elaboration of a manual focused on POG supervision and that this work is expected to be supported and enhanced as part of the technical assistance programme (TSI – Technical Support Instrument) managed by the European Commission's Directorate-General for Structural Reform Support (DG REFORM). However, these activities are still

to be developed and the relevant deliverables are not yet finalised or embedded in day-to-day supervisory practice.

DGSFP-ES also referred to its internal system through which supervisors access documentation and supervisory criteria and to ongoing work to elaborate POG-focused documents taking the Chapter on POG of EIOPA's Supervisory Handbook as a reference. Nevertheless, the information provided does not evidence that these POG-specific documents have been finalised and operationalised as practical supervisory tools (e.g. step-by-step procedures, checklists or internal guidance) supporting consistent POG assessments for IBIPs across on-site and off-site supervisory work.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

EIOPA recognises that DGSFP is implementing the recommended action as part of the technical assistance programme from DG REFORM and expects the recommended action to be fulfilled once the project deliverables are fully implemented.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

DGSFP carried out some IBIP-focused supervisory activity, including targeted off-site analysis and an on-site inspection addressing value-for-money and target market concerns, as well as internal analysis of IBIP outliers. However, the evidence does not demonstrate a sufficiently systematic

programme of supervisory activities covering an adequate number of IBIPs and manufacturers to assess the effective application of POG requirements in practice, as envisaged by the recommended action.

DGSFP-ES reported supervisory activity linked to cross-border IBIP distribution, notably through its cross-border supervision work, where the sale of IBIPs is one of the criteria used to prioritise branches for supervisory engagement. Following an annual meeting with a branch, DGSFP-ES raised concerns regarding potential value-for-money, complexity/cost structure and target market definition issues, and requested product documentation for off-site analysis. DGSFP-ES also sought participation in the relevant supervisory college and shared the identified issues with the home supervisor with a view to remediation.

DGSFP-ES also reported additional IBIP-related supervisory activity, including an on-site inspection following a complaint about lack of transparency (including on underlying assets); following the inspection, the undertaking adjusted the product's cost/expense structure. DGSFP-ES also undertook analytical work to support supervisory targeting, including a 2025 internal review of Spanish outliers identified in EIOPA's first value-for-money benchmarks (using benchmark and KID information) and annual analysis of Costs and Past Performance data, with findings shared internally to inform ongoing supervision. These steps demonstrate supervisory engagement but do not yet constitute a systematic programme of supervisory activities covering the full range of POG requirements.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **partially fulfilled**.

## 4.30 SWEDEN

### RECOMMENDED ACTION – SETTING AND COMMUNICATING SUPERVISORY EXPECTATIONS

#### Main findings

The Authority was recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.

Communication should have been carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.

The Authority was recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.

#### Evidence

FSA-SE communicated certain conduct-related messages relevant to POG, notably conflicts of interest in distribution, through a published report and through targeted supervisory dialogue with some supervised entities. However, FSA-SE has not formulated and communicated a comprehensive, market-facing set of supervisory expectations covering all POG elements for IBIPs, as envisaged by the recommended action.

FSA-SE reported discussing POG in a session with compliance officers from approximately 20 insurance undertakings, including supervisory expectations (its own and EIOPA's) across POG elements such as product definition, target market, product testing/value-for-money and the role of complaints as feedback. However, this was delivered to a closed group at its request and is not evidenced as a formal market-wide communication applicable across IBIP manufacturers.

FSA-SE also referred to engagement in various industry fora and to published reports on related conduct topics. The 2025 report "Remuneration and Conflicts of Interest among Swedish Insurance Intermediaries" focuses on remuneration and conflicts of interest in intermediation and is described as only indirectly linked to POG; the evidence does not demonstrate a formal publication (e.g. guideline/circular/letter) setting out comprehensive POG expectations for IBIPs, nor a structured market-wide follow-up against such expectations.

#### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY METHODOLOGIES AND TOOLS

### Main findings

The Authority was recommended to have in place well-structured supervisory processes to establish that POG requirements were adequately and correctly implemented.

In particular, the Authority was recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should have taken into consideration the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should have provided practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporated the specificities of the national IBIPs market and the Authority's framework for POG supervision and other supervisory tools.

### Evidence

FSA-SE indicated that it has not taken further measures and that it continues to rely on existing resources, notably the Chapter on POG of EIOPA's Supervisory Handbook and EIOPA's Approach to the Supervision of POG, which it considers sufficient.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

## RECOMMENDED ACTION – SUPERVISORY ACTIVITIES

### Main findings

The Authority was recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.

The supervisory activities should have aimed to assess the application of POG requirements in practice, specifically whether undertakings had effective and comprehensive POG policies and procedures in place that were adequately internalized and whether insurance undertakings took a "customer-centric" approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.

Specifically for on-site and off-site inspections, the Authority was recommended to carry out analyses focused on POG requirements to ensure that when these covered other conduct aspects or prudential aspects, POG requirements were given substantial emphasis.

### Evidence

FSA-SE reported a number of supervisory activities focused on remuneration of intermediaries but not specifically through the lenses of POG. These activities are not evidence of systematic supervisory activities aimed at testing the application of POG requirements in practice for IBIPs, as envisaged by the recommended action.

FSA-SE stated that, through its conduct risk assessment, it identified two undertakings offering lower-quality structured products and that it plans to meet them to discuss product governance and also that it plans to follow up on Swedish outliers identified through EIOPA value-for-money work. FSA-SE also referred to annual meetings with distributors where product governance is discussed. However, these elements are described largely as planned or general engagement measures and are not evidence of a systematic programme of on-site/off-site inspections and thematic reviews focused on IBIPs that tests the effectiveness of manufacturers' POG arrangements across the product lifecycle.

### Conclusion

Based on the assessment of the information provided, the recommended action is considered **not fulfilled**.

## ANNEX I – OVERVIEW OF RECOMMENDED ACTIONS

Area of recommended action	Recommended action addressed to the following NCA(s):
<b>Organisation and resources of POG supervision</b>	
<p>The Authority is recommended to have in place a well-defined and comprehensive structure for POG supervision which is proportionate to the (current and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives. Moreover, the Authority is recommended to ensure that POG supervision is embedded in on-going supervisory activities and is fully reflected in the Authority's strategy. The above should be set out in documentation, which is known, understood and applied throughout the organisation.</p> <p>In addition, the Authority is recommended to allocate adequate resources with the necessary skills, knowledge and expertise on POG supervision. The resources should be proportionate to the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.</p>	<p>ICCS (CY)  BaFin (DE)  DFSA (DK)  EFSRA (EE)  BoG (EL)  DGSFP (ES)  FIN-FSA (FI)  HANFA (HR)  MNB (HU)  FSA (IS)  FMA (LI)  BoL-LT (LT)  CAA (LU)  NFSA (NO)  ASF-PT (PT)  AZN (SI)  NBS (SK)</p>
<p>FMA is recommended to have in place a well-defined and comprehensive structure for POG supervision which is proportionate to the (current and expected) risks in the insurance</p>	<p>FMA (AT)</p>

<p>market. POG supervision must have clearly defined purposes and objectives. Moreover, FMA is recommended to ensure that POG supervision is embedded in on-going supervisory activities and is fully reflected in the FMA's strategy. The above should be set out in documentation, which is known, understood and applied throughout the organization.</p>	
<p>FSC is recommended to have in place a well-defined and comprehensive structure for POG supervision which is proportionate to the (current and expected) risks in the insurance market. POG supervision must have clearly defined purposes and objectives. Moreover, FSC is recommended to ensure that POG supervision is embedded in on-going supervisory activities and is fully reflected in the FSC's strategy. The above should be set out in documentation, which is known, understood and applied throughout the organization.</p>	<p>FSC (BG)</p>
<p><b>Area of recommended action</b></p>	<p><b>Recommended action addressed to the following NCA(s):</b></p>
<p><b>Risk-based approach</b></p>	
<p>The Authority is recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision that fully incorporates POG requirements. The framework should include both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action. The framework is to be integrated and aligned with the Authority's strategy.</p> <p>The framework should rely on measures (quantitative and qualitative) to assess how products impact consumers and the likelihood of the materialisation of risks. The Authority should identify and document a comprehensive set of product risks it expects manufacturers to manage by their POG arrangements and monitor these to ensure that POG policies and procedures lead to</p>	<p>FMA (AT)  FSC (BG)  ICCS (CY)  BaFin (DE)  DFSA (DK)  EFSRA (EE)  BoG (EL)  DGSFP (ES)  FIN-FSA (FI)  HANFA (HR)  MNB (HU)</p>

<p>good consumer outcomes. The Authority should, furthermore, define undesired consumer outcomes and assess whether supervised entities have in place their own notion of good consumer outcomes.</p>	<p>FSA (IS) BoL-LT (LT) CAA (LU) BoL-LV (LV) NFSA (NO) ASF-PT (PT) AZN (SI) NBS (SK)</p>
<p>ACPR is recommended to have in place a supervisory framework for conduct supervision that, in addition to undertaking-specific risk assessment, includes product-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory actions also taking into account customer outcomes. The framework should rely on quantitative and qualitative measures.</p>	<p>ACPR (FR)</p>
<p>AFM is recommended to have in place a systematic and effective risk-based and proportionate framework for conduct supervision of life insurance that fully incorporates POG requirements. The framework should include both product-specific and undertaking-specific risk assessments leading to a clear identification of risks impacting consumers and to the prioritisation of supervisory action also taking into account customer outcome.</p>	<p>AFM (NL)</p>
<p><b>Area of recommended action</b></p>	<p><b>Recommended action addressed to the following NCA(s):</b></p>
<p><b>Setting and communicating supervisory expectations</b></p>	
<p>The Authority is recommended to formulate and communicate to the market a comprehensive set of supervisory expectations covering all the elements of POG requirements applied to IBIPs.</p>	<p>FMA (AT) FSC (BG) ICCS (CY)</p>

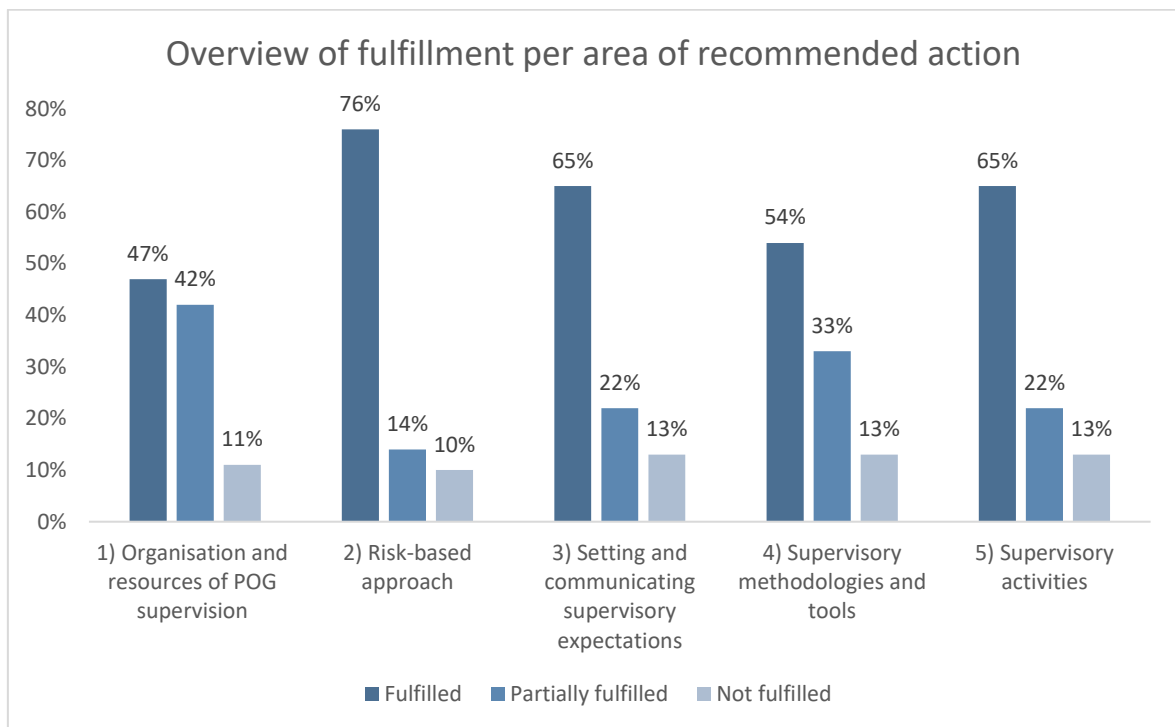
<p>Communication should be carried out in a formal manner (e.g. guidelines, circulars, letters to the market, publications on websites, other type of publication) or via supervisory dialogues (through off and on-site inspections or other supervisory actions) to clearly establish how POG requirements should be applied in day-to-day business.</p> <p>The Authority is recommended to follow up on these expectations by challenging the effectiveness of POG arrangements by supervised entities based on these expectations.</p>	<p>CNB (CZ)</p> <p>BaFin (DE)</p> <p>DFSA (DK)</p> <p>EFSRA (EE)</p> <p>DGSFP (ES)</p> <p>FIN-FSA (FI)</p> <p>MNB (HU)</p> <p>CBI (IE)</p> <p>FSA (IS)</p> <p>FMA (LI)</p> <p>BoL-LT (LT)</p> <p>CAA (LU)</p> <p>BoL-LV (LV)</p> <p>NFSA (NO)</p> <p>KNF (PL)</p> <p>ASF-PT (PT)</p> <p>ASF-RO (RO)</p> <p>FI (SE)</p> <p>AZN (SI)</p> <p>NBS (SK)</p>
<p><b>Area of recommended action</b></p>	<p><b>Recommended action addressed to the following NCA(s):</b></p>
<p><b>Supervisory methodologies and tools</b></p>	
<p>The Authority is recommended to have in place well-structured supervisory processes to establish that POG requirements are adequately and correctly implemented.</p>	<p>FMA (AT)</p> <p>FSC (BG)</p> <p>ICCS (CY)</p> <p>CNB (CZ)</p>

<p>In particular, the Authority is recommended to have in place fit-for-purpose internal supervisory processes on POG supervision, most notably for IBIPs and more generally for life insurance products. The processes should take into consideration the Chapter on POG of the EIOPA’s Supervisory Handbook and EIOPA’s Approach to the Supervision of Product Oversight and Governance, developing national specific documentation if adequate. The processes should provide practical guidance on procedures and instructions to support supervisors in off-site and on-site supervisory activities and incorporate the specificities of the national IBIPs market and the Authority’s framework for POG supervision and other supervisory tools.</p>	<p>BaFin (DE)  DFSA (DK)  EFSRA (EE)  BoG (EL)  DGSFP (ES)  FIN-FSA (FI)  MNB (HU)  FSA (IS)  IVASS (IT)  FMA (LI)  BoL-LT (LT)  CAA (LU)  BoL-LV (LV)  MFSA (MT)  NFSA (NO)  ASF-PT (PT)  ASF-RO (RO)  FI (SE)  AZN (SI)  NBS (SK)</p>
<p><b>Area of recommended action</b></p>	<p><b>Recommended action addressed to the following NCA(s):</b></p>
<p><b>Supervisory activities</b></p>	
<p>The Authority is recommended to carry out systematic supervisory activities, such as on-site inspections, off-site inspections, and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.</p>	<p>FMA (AT)  FSC (BG)  ICCS (CY)  BaFin (DE)</p>

<p>The supervisory activities should aim to assess the application of POG requirements in practice, specifically whether undertakings have effective and comprehensive POG policies and procedures in place that are adequately internalized and whether insurance undertakings take a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.</p> <p>Specifically for on-site and off-site inspections, the Authority is recommended to carry out analyses focused on POG requirements to ensure that when these cover other conduct aspects or prudential aspects, POG requirements are given substantial emphasis.</p>	<p>DFSA (DK)</p> <p>EFSRA (EE)</p> <p>BoG (EL)</p> <p>DGSFP (ES)</p> <p>FIN-FSA (FI)</p> <p>HANFA (HR)</p> <p>MNB (HU)</p> <p>FSA (IS)</p> <p>BoL-LT (LT)</p> <p>CAA (LU)</p> <p>BoL-LV (LV)</p> <p>NFSA (NO)</p> <p>KNF (PL)</p> <p>ASF-PT (PT)</p> <p>ASF-RO (RO)</p> <p>FI (SE)</p> <p>AZN (SI)</p> <p>NBS (SK)</p>
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<p>The Authority is recommended to carry out systematic supervisory activities which should be prioritized taking into account the risks identified in the risk model.</p> <p>The supervisory activities should aim to assess the application of POG requirements in practice, specifically whether undertakings have effective and comprehensive POG policies and procedures in place that are adequately internalised and whether insurance undertakings take a “customer-centric” approach to their product approval, distribution, and monitoring and review processes to avoid conflicts of interest.</p> <p>Specifically for on-site and off-site inspections, the Authority is recommended to carry out analyses focused on POG requirements to ensure that when these cover other conduct aspects or prudential aspects, POG requirements are given substantial emphasis.</p>	<p>FSMA (BE)</p>
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## ANNEX II - OVERVIEW OF FULFILMENT OF RECOMMENDED ACTIONS



Overview by Member State and by recommended action

MS	Organisation and resources of POG supervision	Risk-based approach	Setting and communicating supervisory expectations	Supervisory methodologies and tools	Supervisory activities	Fulfilled	Partially fulfilled	Not fulfilled
AT	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	100%	0%	0%
BE	N/A	N/A	N/A	N/A	Fulfilled	100%	0%	0%
BG	Fulfilled	Fulfilled	Partially fulfilled	Fulfilled	Fulfilled	80%	20%	0%
CY	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	0%	0%	100%
CZ	N/A	N/A	Fulfilled	Fulfilled	N/A	100%	0%	0%
DE	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	100%	0%	0%
DK	Fulfilled	Partially fulfilled	Fulfilled	Partially fulfilled	Fulfilled	60%	40%	0%
EE	Partially fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	80%	20%	0%
EL	Fulfilled	Fulfilled	N/A	Fulfilled	Fulfilled	100%	0%	0%
ES	Partially fulfilled	Not fulfilled	Partially fulfilled	Not fulfilled	Partially fulfilled	0%	60%	40%
FI	Partially fulfilled	Fulfilled	Partially fulfilled	Partially fulfilled	Not fulfilled	20%	60%	20%
FR	N/A	Fulfilled	N/A	N/A	N/A	100%	0%	0%
HR	Partially fulfilled	Fulfilled	N/A	N/A	Partially fulfilled	33%	67%	0%
HU	Partially fulfilled	Fulfilled	Fulfilled	Partially fulfilled	Partially fulfilled	40%	60%	0%
IE	N/A	N/A	Fulfilled	N/A	N/A	100%	0%	0%
IS	Not fulfilled	Partially fulfilled	Fulfilled	Partially fulfilled	Partially fulfilled	20%	60%	20%
IT	N/A	N/A	N/A	Fulfilled	N/A	100%	0%	0%
LI	Fulfilled	N/A	Fulfilled	Fulfilled	N/A	100%	0%	0%
LT	Partially fulfilled	Fulfilled	Fulfilled	Partially fulfilled	Partially fulfilled	40%	60%	0%
LU	Partially fulfilled	Fulfilled	Fulfilled	Partially fulfilled	Fulfilled	60%	40%	0%
LV	N/A	Fulfilled	Fulfilled	Fulfilled	Fulfilled	100%	0%	0%
MT	N/A	N/A	N/A	Fulfilled	N/A	100%	0%	0%
NL	N/A	Fulfilled	N/A	N/A	N/A	100%	0%	0%
NO	Fulfilled	Partially fulfilled	Not fulfilled	Partially fulfilled	Fulfilled	40%	40%	20%
PL	N/A	N/A	Fulfilled	N/A	Fulfilled	100%	0%	0%
PT	Fulfilled	Fulfilled	Partially fulfilled	Fulfilled	Fulfilled	80%	20%	0%
RO	N/A	N/A	Fulfilled	Fulfilled	Fulfilled	100%	0%	0%
SE	N/A	N/A	Not fulfilled	Not fulfilled	Not fulfilled	0%	0%	100%

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SI	Fulfilled	Fulfilled	Partially fulfilled	Fulfilled	Fulfilled	80%	20%	0%
SK	Partially fulfilled	Fulfilled	Fulfilled	Partially fulfilled	Fulfilled	60%	40%	0%

## ANNEX III – TERMS OF REFERENCE

### Terms of Reference

#### Follow-up on Peer Review on POG

<b>Description of the topic</b>	<p>To identify on an individual basis the progress made against the recommended actions by seeing whether the NCAs have effectively fulfilled them.</p> <p>EIOPA issued a number of recommended actions to the different NCAs in order to improve specific areas where an adequate framework for POG, specifically in relation to IBIPs, and conduct POG supervision for straightforward and non-complex products, in particular non-life products needed to be put in place.</p>
<b>Purpose and expected outcomes</b>	<p>The follow-up will assess, on an individual basis considering the inputs provided, whether the NCAs have effectively fulfilled the recommended action(s) issued to them as part of the peer review process in accordance with Article 30 of the EIOPA Regulation (see also the two-year peer review work plan 2025-2026).</p> <p>The follow-up will assess what kind of regulatory, organizational and/or supervisory changes / actions the NCAs have implemented aiming for improvement in the area of the recommended action(s). The NCAs will be asked to describe and document (where needed) in detail these measures via a follow-up questionnaire.</p> <p>The focus of the analysis of the answers to the follow-up questionnaire will be the:</p> <ul style="list-style-type: none"> <li>• Progress attained following the specific recommended action(s) and assessment of the adequacy and effectiveness of the actions undertaken by NCAs.</li> </ul>

	<ul style="list-style-type: none"> <li>• European overview of the effects of the implemented supervisory practices and actions taken following the recommended actions issued.</li> </ul> <p>On that basis the ad hoc Peer Review Committee (PRC) will describe the progress made by NCAs in a follow-up report that, once approved by EIOPA BoS, will be published on EIOPA’s website<sup>9</sup>.</p> <p>Depending on the outcome, EIOPA may further extend the status of the recommended actions to the NCAs, meaning that further follow-up of actions referring to outstanding issues identified in the context of NCAs’ legislation and/or organisation and/or supervisory practice(s) is needed.</p>
<p><b>Scope</b></p>	<p>The topics, coming from the peer review report published in July 2023, to be covered in the follow-up report are:</p> <ol style="list-style-type: none"> <li>I. Organisation and resources of POG supervision</li> <li>II. Risk-based approach</li> <li>III. Setting and communicating supervisory expectations</li> <li>IV. Supervisory methodologies and tools</li> <li>V. Supervisory activities</li> </ol>
<p><b>Evaluation criteria, implementation expectations, fulfillment criteria</b></p>	<p>The follow-up will assess:</p> <ul style="list-style-type: none"> <li>○ whether the recommended actions have been addressed;</li> <li>○ what activities (regarding regulatory framework and/or organisational structure and/or supervisory practice(s)) have been undertaken by individual NCAs to fulfil the recommended action(s) issued to them;</li> <li>○ how the undertaken actions are reflected in NCA’s internal policies and procedures.</li> </ul> <p>The follow-up questionnaire will be addressed separately to NCAs depending on their original recommended action(s).</p> <p>The process of the ad hoc PRC’s assessment will comprise:</p> <ul style="list-style-type: none"> <li>• Evaluation of the written feedback received from NCAs.</li> <li>• A desk review of the provided answers and evidence including their relevance as summarised by the NCAs, ensuring clear understanding of every NCA’s progress; if more clarity or specific information is required the ad hoc</li> </ul>

<sup>9</sup> Its outcome will be also incorporated in EIOPA’s yearly supervisory activities’ report.

	<p>PRC will request clarification from respondents (e.g., by email or telephone interviews).</p> <ul style="list-style-type: none"> <li>Grading in terms of fulfilment of the recommended actions.</li> </ul> <p>The evaluation criteria have been based on the assessment criteria used during the conduct of the peer review (see full table in Annex II) and developed on the basis of:</p> <ul style="list-style-type: none"> <li>Article 25(1) of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution;</li> <li>Commission Delegated Regulation (EU) 2017/2358 of 21 September 2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors, in particular Articles 4, 5, 6, 7 and 9. As mentioned in the scope, the peer review focusses on insurance undertakings in their role as manufacturers, i.e. Chapter II of the POG Delegated Regulation;</li> <li>Supervisory Handbook Chapter on POG supervision;</li> <li>The key characteristics of high quality and effective supervision as defined by EIOPA are also relevant.</li> </ul> <p>In line with the peer review report and the assessment letters with the recommended actions the expectations regarding the implementation have been set i.e., actions required from the competent authorities (how) to achieve substantive goals of the relevant recommended actions and what measures taken by the relevant competent authority would be suited to achieve that objectives provided.</p> <p>Furthermore, the ad hoc PRC has agreed on the fulfilment criteria (how action / inaction will be graded) as described in Annex of the Decision of the European Insurance and Occupational Pensions Authority on peer reviews.</p>
<b>Reference period</b>	The reference period for the follow-up on the peer review on EIOPA’s Decision on the collaboration of the insurance supervisory authorities is August 2023 – June 2025.
<b>Timeline</b>	The follow-up will be conducted along the following key milestones:

- Launch of follow-up questionnaire by September 2025.
- Submission by NCAs of responses to the follow-up questionnaire including the completeness check of the responses provided by competent authorities and further clarification if needed by October 2025.
- Performance of fieldwork to further investigate relevant aspects related to the answers provided in the follow-up questionnaire, assessment, and grading of the responses of the follow-up questionnaire and the fieldwork against the evaluation criteria by January 2026.
- Drafting, by the ad hoc PRC, of a follow-up report, factual check of the report by the national peer review coordinators, consultation with MB on the consistency of the report, approval of the follow-up report by the Board of Supervisors by April 2026.
- Publication of the follow-up report on EIOPA's website by April 2026.

## ANNEX IV – EVALUATION CRITERIA

Area	Evaluation Criteria	
	Implementation expectations	Fulfilment criteria
Organisation and resources of POG supervision	<ul style="list-style-type: none"> <li>• Whether POG supervision has a clear objective and strategy and is aligned with and clearly embedded within the Authority’s supervision strategy.</li> <li>• Whether the Authority has established internal procedures and arrangements that provide internal guidance and are applied systematically across the organisation and embedded in on-going POG supervisory activities.</li> <li>• Whether adequate human and financial resources are allocated to POG supervision and whether these resources are proportionate to the complexity and risk levels of IBIPs, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.</li> <li>• Whether the organization allows for a consistent and coordination approach to POG supervision, looking at whole POG aspects.</li> </ul>	<p><b>Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• A documented POG supervision strategy setting out clear purposes and objectives and which is in line with the Authority’s overall supervision strategy.</li> <li>• A well-defined and comprehensive framework for POG supervision, including established internal procedures and arrangements through the organisation. These are set out in formal documents to provide internal guidance and are known, understood and applied throughout the organization and embedded in in day-to-day supervisory practices. There is also evidence that the formal documents are adequately implemented.</li> <li>• The necessary human and financial means, including staff with the relevant necessary skills, knowledge and expertise on POG supervision, supported by continuous professional development programs and training on POG-related issues.</li> <li>• The organization ensures a full and coordinated approach looking at product design, product distribution and product monitoring and review aspects.</li> </ul> <p><b>Partially Fulfilled:</b> The Authority has:</p>

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		<ul style="list-style-type: none"> <li>• A broad POG supervision strategy which does not set out clear purposes and objectives and/or is not fully aligned / embedded with the Authority’s overall t supervision strategy.</li> <li>• Internal procedures exist but these do not provide sufficient guidance and/or are not consistently applied across all teams or ongoing supervisory activities.</li> <li>• Sufficient resources (human and financial) but the level of engagement on POG matters is not appropriate or proportionate to the nature and characteristics of POG-related risks.</li> <li>• While the organization enables the Authority to look at product design, product distribution and product monitoring and review aspects, this may not be fully coordinated.</li> </ul> <p><b>Not Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• Not developed a strategy for POG supervision.</li> <li>• Not developed internal procedures and arrangements for POG supervision.</li> <li>• Insufficient human and financial resources for POG supervision considering the complexity and risk levels of IBIPs and/or other life insurance products, to the characteristics of the domestic insurance market and to the nature, scale and complexity of business models.</li> <li>• Some elements of POG are not supervised.</li> </ul>
<p>Risk-based approach</p>	<ul style="list-style-type: none"> <li>• Whether the supervisory approach is based on a conduct risk assessment framework that fully incorporates POG requirements and which is proportionate to the nature, scale, and complexity of products, business models, and the domestic insurance market.</li> </ul>	<p><b>Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• A documented conduct risk assessment framework that explicitly incorporates POG-related risks and which is proportionate to the nature, scale and complexity of the risks.</li> <li>• A structured approach based on the systematic collection and analysis of quantitative and qualitative data which is able to identify</li> </ul>

	<ul style="list-style-type: none"> <li>• How the approach relies on both quantitative and qualitative measures to assess the impact and the likelihood of the materialisation of risks, specifically:             <ul style="list-style-type: none"> <li>○ Product-related risks across a product’s lifecycle to identify which products may require a closer monitoring from a POG perspective;</li> <li>○ Identify problematic undertaking-specific practices including the inadequate and incorrect implementation of POG requirements;</li> <li>○ Identify material market-wide POG-related risks.</li> </ul> </li> <li>• Whether the approach is able to identify a comprehensive set of product risks it expects supervised entities to manage, define undesired consumer outcomes and assess whether supervised entities have in place their own notion of good consumer outcomes.</li> <li>• How the approach leads to the prioritisation of supervisory activities and different supervisory actions.</li> </ul>	<p>product-specific, undertaking-specific and market-wide POG risks, and assess their impact and likelihood of materialisation.</p> <ul style="list-style-type: none"> <li>• A definition of undesired consumer outcomes and carries out assessments of whether supervised entities implement their own notion of good consumer outcomes.</li> <li>• A risk-based approach to the (planned) prioritisation of supervisory activities where resources are focused on higher-risk products, practices, or market segments.</li> </ul> <p><b>Partially Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• A conduct risk assessment framework that does not incorporate POG requirements.</li> <li>• An incomplete and/or inconsistent (quantitative and qualitative) data collection and analysis process where product-specific, undertaking-specific or market-wide risks are identified only partially, but some important risks are overlooked.</li> <li>• Identified a (incomplete) set of risks and undesired consumer outcomes but these are not consistently assessed across supervised entities; thus partially failing to assess whether supervised entities have adequately and correctly implemented POG requirements and whether insurance products are aligned with the needs, objectives, and characteristics of a sufficiently granular target market.</li> <li>• A risk-based prioritisation process in place but it is not consistently applied, or resources not always aligned with higher-risk areas.</li> </ul> <p><b>Not Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• A risk assessment process but POG is either not covered and/or a minor element, resulting in the risk that POG supervision may not be prioritized.</li> <li>• The risk assessment framework may allow for the identification of risks for consumers; however, it may only look at products, entities or market wide rather than jointly at the three elements.</li> </ul>
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FOLLOW-UP TO PEER REVIEW ON PRODUCT OVERSIGHT AND GOVERNANCE (POG)

		<ul style="list-style-type: none"> <li>• A risk-based prioritization process is not applied.</li> </ul>
<p>Setting and communicating supervisory expectations</p>	<ul style="list-style-type: none"> <li>• How the principles of the POG Regulation are translated into concrete, market-specific supervisory expectations, addressing all POG requirements applied to IBIPs.</li> <li>• Whether supervisory expectations are formally communicated to the market (through recommendations, guidelines, circulars, letters, or website publications) and/or via supervisory dialogues, such as on-site and off-site inspections or other actions, to ensure these expectations are known, understood, and embedded in day-to-day business by supervised entities, thereby fostering market discipline.</li> <li>• Whether the Authority follows up on its expectations by assessing and challenging the effectiveness of POG arrangements implemented by supervised entities, conducting this work through on-site and off-site inspections or other supervisory actions.</li> </ul>	<p><b>Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• Formulated detailed supervisory expectations covering all the elements of POG requirements applied to IBIPs.</li> <li>• Communicated its supervisory expectations to the market in multiple ways to ensure that these expectations are known, understood and applied by supervised entities.</li> <li>• Challenged the effectiveness of POG arrangements based on these expectations.</li> </ul> <p><b>Partially Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• Formulated supervisory expectations covering most elements of POG requirements but not specifically in relation to IBIPs.</li> <li>• Not formally communicated its supervisory expectations to the market, nor has it provided guidance to supervised entities on the application of POG requirements in day-to-day business.</li> <li>• Issued communications of a general nature, such as high-level supervisory expectations regarding potential risks for consumers, limited in scope and in frequency and without detailing what is expected from supervised entities to ensure effective implementation of POG requirements.</li> <li>• Not followed up on its expectations by challenging the effectiveness of POG arrangements by supervised entities based on supervisory expectations.</li> </ul> <p><b>Not Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• Not formulated supervisory expectations covering POG requirements applied to IBIPs.</li> <li>• Not communicated its supervisory expectations to the market.</li> </ul>

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		<ul style="list-style-type: none"> <li>Not challenged the effectiveness of POG arrangements by supervised entities due to the lack of market-specific supervisory expectations for product manufacturers covering all the elements of POG requirements applied to IBIPs.</li> </ul>
<p>Supervisory methodologies and tools</p>	<ul style="list-style-type: none"> <li>Whether supervisory methodologies are comprehensive and proportionate to the nature, scale, and complexity of supervised entities and the IBIPs they distribute.</li> <li>How the Authority relies on a range of internal supervisory processes, documented in internal policies and procedures, including off-site and on-site supervisory manuals.</li> <li>How supervisory methodologies and tools are integrated into day-to-day activities and support supervisors in assessing whether POG requirements are adequately and correctly implemented.</li> </ul>	<p><b>Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>Documented methodologies and tools to assess whether all relevant aspects of POG requirements are adequately and correctly implemented.</li> <li>Detailed internal procedures and manuals provide practical guidance to support supervisors in their off-site and on-site supervisory activities, considering the Chapter on POG of the EIOPA Supervisory Handbook and EIOPA’s Approach to the Supervision of Product Oversight and Governance and incorporating the specificities of the national IBIPs market.</li> </ul> <p><b>Partially Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>Methodologies and tools to assess whether POG requirements are adequately and correctly implemented are documented but not applied consistently or these do not fully cover all POG risks leading to a less structured and less risk-based approach to POG supervision.</li> <li>An internal supervisory methodology, but it is underused and/or does not provide practical guidance for the internal processes of POG supervision that translate EIOPA’s Supervisory Handbook and approach to product supervision aligned with the national IBIPs market specifics, or such guidance requires further integration.</li> </ul> <p><b>Not Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>Not developed a supervisory processes and tools relating to POG supervision (e.g. documentation, methodology, supervisory manuals, internal policies &amp; procedures, checklists, etc.).</li> </ul>

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<p>Supervisory activities</p>	<ul style="list-style-type: none"> <li>• Whether POG supervision assesses if POG policies and procedures have been developed in a proportionate, adequate, and appropriate manner by supervised entities throughout all stages of the POG process.</li> <li>• How the Authority carries out systematic supervisory activities, such as on-site inspections, off-site inspections and thematic reviews on an adequate number of IBIPs and supervised entities manufacturing IBIPs.</li> </ul>	<p><b>Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• Used a range of supervisory activities (e.g. on-site and off-site inspections, desk-based analysis, thematic reviews, meetings, etc.) to check, verify and challenge the effective implementation of POG requirements by supervised entities.</li> <li>• Carried out systematic supervisory activities, such as on-site inspections, off-site inspections and thematic reviews on an adequate number of IBIPs and entities manufacturing IBIPs.</li> </ul> <p><b>Partially Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• Used a range of supervisory activities but applied them inconsistently and without sufficient depth to adequately assess if POG policies and processes are effectively implemented.</li> <li>• Developed an approach that insufficiently considers product diversity, distribution channels, and target markets, resulting in a less comprehensive and less robust approach to POG supervision.</li> </ul> <p><b>Not Fulfilled:</b> The Authority has:</p> <ul style="list-style-type: none"> <li>• Not used a range of supervisory activities and carried out systematic supervisory activities.</li> <li>• Only assessed the existence of POG policies and procedures on paper, not assessed the application of POG requirements in practice; i.e. the Authority has not assessed whether supervised entities take a “customer-centric” approach to POG.</li> </ul>
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## ANNEX V – COUNTRIES AND NCAS PARTICIPATING IN THIS FOLLOW-UP PEER REVIEW AND THEIR ABBREVIATIONS

Country	Abbreviation	Name of concerned Competent Authority	Abbreviation used in the report (if any)
Austria	AT	Finanzmarktaufsicht (Financial Market Authority)	FMA
Belgium	BE	Autorité des services et marchés financiers (Financial Services and Markets Authority)	FSMA
Bulgaria	BG	Комисия за Финансов Надзор (Financial Supervision Commission)	FSC
Cyprus	CY	Αρμοδιότητα της Υπηρεσίας Ελέγχου Ασφαλιστικών Εταιρειών (Cyprus Insurance Companies Control Services)	ICCS
Croatia	HR	Hrvatska agencija za nadzor financijskih usluga	HANFA
Czech Republic	CZ	Ceska Narodni Banka (Czech National Bank)	CNB
Denmark	DK	Finanstilsynet (Danish FSA)	DFSA
Estonia	EE	Finantsinspektsioon (Estonia Financial Supervision Authority)	EFSA
Finland	FI	Finanssivalvonta (Finnish Financial Supervisory Authority)	FIN-FSA
France	FR	Autorité de Contrôle Prudentiel et de Résolution	ACPR
Germany	DE	Bundesanstalt für Finanzdienstleistungsaufsicht	BaFin
Greece	EL	Τράπεζα της Ελλάδος (Bank of Greece - Department of	BoG

Country	Abbreviation	Name of concerned Competent Authority	Abbreviation used in the report (if any)
		Private Insurance Supervision)	
Hungary	<b>HU</b>	Magyar Nemzeti Bank (The Central Bank of Hungary)	<b>MNB</b>
Iceland	<b>IS</b>	Fjármálaeftirlitið (Financial Supervisory Authority)	<b>FSA</b>
Ireland	<b>IE</b>	Central Bank of Ireland	<b>CBI</b>
Italy	<b>IT</b>	Istituto per la Vigilanza sulle assicurazioni	<b>IVASS</b>
Latvia	<b>LV</b>	Latvijas Banka (until 31.12.2022. – Financial and Capital Market Commission (FCMC))	<b>BoL-LV</b>
Liechtenstein	<b>LI</b>	Finanzmarktaufsicht (Financial Market Authority)	<b>FMA</b>
Lithuania	<b>LT</b>	Lietuvos Bankas (Bank of Lithuania)	<b>BoL-LT</b>
Luxembourg	<b>LU</b>	Commissariat aux Assurances	<b>CAA</b>
Malta	<b>MT</b>	Malta Financial Services Authority	<b>MFSA</b>
Netherlands	<b>NL</b>	De Autoriteit Financiële Markten (Dutch Authority for the Financial Market)	<b>AFM</b>
Norway	<b>NO</b>	Finanstilsynet	<b>NFSA</b>
Poland	<b>PL</b>	Komisja Nadzoru Finansowego	<b>KNF</b>
Portugal	<b>PT</b>	Autoridade de Supervisão de Seguros e Fundos de Pensões	<b>ASF-PT</b>
Romania	<b>RO</b>	Financial Supervisory Authority	<b>ASF-RO</b>
Slovakia	<b>SK</b>	Narodna Banka Slovenska (National Bank of Slovakia)	<b>NBS</b>
Slovenia	<b>SI</b>	Agencija za Zavarovalni Nadzor (Insurance Supervision Agency)	<b>AZN</b>

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<b>Country</b>	<b>Abbreviation</b>	<b>Name of concerned Competent Authority</b>	<b>Abbreviation used in the report (if any)</b>
Spain	<b>ES</b>	Dirección General de Seguros y Fondos de Pensiones	<b>DGSFP</b>
Sweden	<b>SE</b>	Finansinspektionen (Financial Supervisory Authority)	<b>FI</b>

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