



# 74<sup>TH</sup> BOARD OF SUPERVISORS MEETING VIA VIDEOCONFERENCE

DATE: 27 JANUARY 2022 11:00 – 16 :10 CET

LOCATION: VIDEOCONFERENCE

## FINAL MINUTES

### WELCOME AND INTRODUCTORY REMARKS BY THE EIOPA CHAIRPERSON

1. The Chairperson welcomed the attendees to the 74<sup>th</sup> meeting of EIOPA's Board of Supervisors (BoS).

### AGENDA ITEM 1: CLOSED SESSION – *Confidential exchange of information*

### AGENDA ITEM 2: ADOPTION OF THE AGENDA

#### DECISION

2. BoS adopted the agenda by consensus of all voting members.

### CONCLUSIONS AND ACTION POINTS

3. One BoS Member declared conflict of interest in regards to the agenda item 6i.
4. The Chairperson concluded that no other BoS Member that has an interest that could be considered prejudicial to their independence with regard to any item of the adopted agenda following declaration by all BoS Members of absence of any such interests.

### AGENDA ITEM 3: UPDATES BY CHAIRPERSON, EXECUTIVE DIRECTOR AND EUROPEAN COMMISSION

#### UPDATES BY THE CHAIRPERSON

#### MEMBERSHIP UPDATES

5. The Chairperson welcomed Mr. Ludovic Lebrun, Deputy Director for International Affairs Directorate at the French Prudential Supervision and Resolution Authority (ACPR), who was appointed Alternate to Mr. Patrick Montagner for Board of Supervisors (BoS) and Management Board (MB).

#### CONFLICT OF INTEREST

6. BoS will be invited to submit updated Declarations of Interests. The exercise will be launched in February. Once cleared, the declarations will be published on EIOPA's website under the following link: [here](#)

#### THE ECONOMIC AND FINANCIAL COMMITTEE AND FINANCIAL STABILITY TABLE (EFC-FST)

7. The first meeting of the EFC-FST of 2022 took place digitally on 10 January 2020, where Ministries of Finance and Permanent Representatives in the European Union (EU) together with Central Banks and ESAs Representatives discussed different topics of interest.
8. EIOPA Chairperson as Chair of the Joint Committee (JC) for 2022, represented the ESAs and provided market updates, among others on macro risks: i) concerns on sovereign indebtedness and the extent to which the recent increase of inflation is more permanent in nature and will lead to increased yields; ii) market risks: markets in high levels, prone to corrections and risk reversal and, iii) credit risks: increase in stage 2 loans and forborne loans.

#### RECURRING UPDATE FROM STAKEHOLDER GROUP MEETINGS

9. A productive meeting of the Occupational Pensions Stakeholder Group (OPSG) took place on 20 January.
10. The Joint BoS/OPSG meeting will take place on 29 March 2022. In line with EIOPA's new approach two additional joint meetings with the BoS will take place in 2022, one between the BoS and OPSG and one between the BoS and IRSG. Members were invited to suggest possible items for the agenda of the upcoming joint BoS/OPSG meeting by the 31st January 2022.

#### INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS) ACTIVITIES

11. In the international area EIOPA continues to focus on the development of the global Insurance Capital Standard (ICS) by the IAIS and the related work concerning the assessment whether the US-led Aggregation Method (AM) delivers comparable outcomes.
12. A preliminary high level meeting took place on the 14<sup>th</sup> of January, focusing on governance and procedural aspects of the assessment. At the same time, intense discussion on the detailed criteria which should guide the assessment continues at the technical level.
13. The discussions continue to highlight the substantial divergence of views between IAIS Members.
14. Next meeting of the ICS Task Force will take place on 9 February 2022.

#### LOG4J AND PROCEDURE FOR INFORMATION SHARING ON CYBER SECURITY

15. Reporting on the widely publicized Java logging package vulnerability "log4j". EIOPA followed up internally and externally, reaching out to its Members to facilitate the information exchange amongst the NCAs. The goal was to provide additional information about the impact of this vulnerability and create awareness.
16. The NCA's were aware of the vulnerability and were assessing the impact and taking appropriate actions. Most NCAs have also reached out to, or were in close contact with, industry/national organisations to ensure awareness, information sharing and obtain signals on vulnerabilities.
17. Further discussion will take place at the level of the ITDC/IT & Security Subgroup.

#### DIGITAL HOUR ANNOUNCEMENT

18. To cater for a better overview for member of the work being developed under COM Digital Finance Strategy, COM European Data Strategy and EIOPA Digital Transformation Strategy, EIOPA will schedule on a quarterly basis an "EIOPA Digital Hour".
19. BoS Members as well as relevant staff from their Authority are invited to attend. The meeting will take place in a digital format. During the meeting the Members will be updated on the activities which are running, how they are connected and how Members can be involved.
20. The meetings will kick-off in February followed by a potential meeting in March after the BoS.

#### EUROPEAN SINGLE ACCESS POINT (ESAP)

21. A legislative proposal on the creation of the European Single Access Point (ESAP) was put forward in the context of the 2020 Capital Markets Union (CMU) action plan and of the commission's Digital Finance Strategy. ESAP will be set up, governed and operated by ESMA, but also provides a special role to the cooperation with EBA and EIOPA.
22. ESAP is a single point of access to EU companies' financial and sustainability-related public information as well as public product data.
23. Regarding the insurance/pensions sector ESAP will cover information such as: sanctions under the IDD, IORP 2, Solvency II and PEPP KID as well as PRIIPS and SFDR.

#### QUESTIONS AND ANSWERS: UPDATES

24. The Questions and Answers that EIOPA publishes through its Q&A tool are an important instrument for achieving more supervisory convergence.
25. EIOPA receives a high number of questions and efforts have been made to decrease the backlog. Though a lower number of requests was registered in 2021, an increase is expected after the Solvency II 2020 review.

26. EIOPA worked on a tool to speed up the internal process and shorten the response time. EIOPA monitors the Q&A development on an on-going basis. In case the number of open Q&A will be very high temporary prioritisation of the Q&A may be applied.
27. BoS will be updated every half year on the Q&A status.

#### OTHER MEETINGS:

28. An in-person meeting with Christine Lagarde, President of the ECB, took place on 11 January 2022. The discussion revolved around the work and collaboration between the two institutions. Ms. Lagarde expressed her satisfaction on the good cooperation of EIOPA and the European Systemic Risk Board (ESRB).
29. An in-person meeting with Mairead McGuinness, Commissioner for financial services, financial stability and Capital Markets Union, took place on 27 January 2022 at EIOPA's headquarter. A keen interest on EIOPA's work on sustainability and consumer protection was shown by the Commissioner.
30. The Financial Inclusion Conference organized by the European Supervisory Authorities (ESAs) in the week of 31 January will be opened by Queen Maxima, speaking in her capacity as the UN Secretary-General's Special Advocate for Inclusive Finance for Development.

#### UPDATES BY THE EXECUTIVE DIRECTOR

##### FINANCIAL SERVICES COMMITTEE (FSC) MEETINGS

31. On 19 January, EIOPA updated FSC Members on the results of the 2021 EU-wide insurance stress test exercise as well as on the main findings of EIOPA's Consumer Trends Report – both presentations were well received.
32. The European Commission and the Single Resolution Board (SRB) strongly supported EIOPA on its call for more transparency with regard to industry disclosure of individual stress test results.
33. Furthermore, the French Presidency of the Council presented its priorities on financial services. Among the files on which the Presidency aims to reach a general approach, there is Solvency II, ESAP, and DORA.

##### ESRB LEI RECOMMENDATION

34. EIOPA replied to the ESRB LEI Recommendation in timely manner on actions related to: i) the revision of LEI Guidelines (GLs); ii) PEPP technical standard, making LEI mandatory with the PEPP providers and iii) broadening the LEI application to improve LEI (business) model regarding LEI fees (issuance and renewals), supporting the efforts made by Global Legal Entity Identifier Foundation (GLEIF), LEI-ROC.

##### PAN-EUROPEAN PERSONAL PENSION PRODUCT (PEPP)

35. To understand the potential take-up of the PEPP by eligible providers (asset managers, insurance undertakings, banks and IORPs), a short survey was carried out in March 2021.
36. In the light of the PEPP Regulation becoming applicable on 22 March, EIOPA intends to repeat the exercise and launch a new survey to understand how many providers will enter the market.
37. Members were invited to support the initiative as it will help Competent Authorities and EIOPA in preparing for an effective implementation.
38. The survey will be published on EIOPA's website and own social media channels. EIOPA encourages its Members to use their own communication channels in order to raise awareness.

#### JOINT ESAS' ALL-STAFF WORKSHOP ON GENDER EQUALITY

39. The European Parliament adopted a Resolution stressing that gender balance on boards and in governments ensures broader competence and wider perspectives. The three ESAs organized an "all-staff" event on 18 January reflecting on what was already done at the level of the organization, what are the possible next steps and how to prepare.
40. In that context EIOPA has developed a Diversity and Inclusion Strategy, adopted the EU Agencies Network (EUAN) Charter on Diversity and Inclusion and developed a comprehensive Action Plan.
41. The event was well attended by the staff of the 3 ESAs. Evelyn Regner, MEP and Chair of the Committee on Women's Rights and Gender Equality, Carlien Scheele, Executive Director of the EU Gender Equality Institute, participated in the event.

#### DATA CALENDAR

42. BoS is presented with the data calendar request on a yearly basis.
43. For 2021, the Calendar initially had 45 requests: 23 regular and 22 non-regular of varied scope, and complexity. In the course of the year, 6 were removed, 3 postponed and 5 new added. Overall, an effective execution of the data calendar planning.

#### EXPERT NETWORKS (ENWS)

44. Seven expert networks are currently in place in EIOPA, being in charge of different workstreams. A yearly assessment of the work is circulated to members following recommendation of the Quality Control Committee Review of EIOPA's Working Group Structure and the new Rules of Procedures.

#### IDD APPLICATION REPORT

45. EIOPA received a lot of detailed new country-specific data on intermediaries markets, during the final BoS written procedure in November 2021. Some of this new data arrived after the deadline for the BoS written procedure. As the data is relevant for a meaningful report it has been included.

46. Taking the “lessons learned” from this experience, EIOPA strives having a smoother process for the next IDD report due in 2 years’ time. A “lessons learned” exercise will be run in the CCPFI in the first quarter this year to address this issue for the future.

#### DG REFORM

47. The Board of DG REFORM (European Commission) finalized the pre-selection of the technical support requests received for the 2022 round. The following two requests, envisaging EIOPA as technical support provider, were pre-selected 1) Insurance Conduct of Business Supervision (development of a risk assessment framework and supervisory methodology, including mystery shopping) by the Central Bank of Hungary; 2) Assistance with the transition to forward-looking risk-based supervision of IORPs in Ireland by the Irish Pensions Authority. The Board of DG REFORM also approved the flagship project on an EU Supervisory Digital Finance Academy, where EIOPA will partially be involved as provider, together with the other ESAs and an external provider of support.
48. To ensure a broader impact of such projects going forward more European wide projects such as the Digital Finance Academy will be aimed at.

#### UPDATE BY THE EUROPEAN COMMISSION (COM)

49. The COM representative informed the BoS on the following business files:

#### SOLVENCY 2 PACKAGE NEGOTIATIONS:

50. The French Council Presidency started fully committed its term. The ambition is to obtain a political agreement in the Council on the Solvency II part of the package by end of June. Eight to ten working parties are planned in order to achieve this goal.
51. As regards to the Insurance Recovery and Resolution Directive (IRR), a two-step approach is envisaged by the French Council Presidency and a few working parties are planned until March, followed by an assessment on whether to push for a political agreement by the end of their presidency or to be put on-hold until the Czech Council Presidency in view of prioritising the Solvency II part of the package.
52. At the European Parliament (EP), the team of shadow rapporteurs, for both Solvency II and IRR, has been completed. In terms of schedule the draft report is to be submitted by June and the amendments put forward by mid-July. The discussion of the report in the ECON Committee is foreseen to take place in autumn 2022. Trilogies are estimated to start only at the beginning of 2023.
53. Level 2 – Delegated Regulation. COM has planned an intense expert group schedule, with back to back meetings with the Council. Detailed discussions and options on the way forward on the long term guarantee measures are expected to take place in the first months of 2022. Timeline for follow-up measures will be probably postponed for 2023.

### RETAIL INVESTMENT STRATEGY

54. COM is expecting EIOPA's advice, which is due in April 2022. Currently COM is building on the outcome of the public consultation. The objective of the Retail Investment Strategy is to have the right level of investor protection, bias-free advice and fair treatment, open markets with competitive and cost-efficient products and a good disclosure with transparent, comparable and understandable product information.
55. Next steps are still to be decided upon, in particular in light of EIOPA's advice, but the current plan is the adoption of a package at the end of 2022 with a legislative proposal and a communication setting out the overall strategy.

### DORA: NEGOTIATIONS

56. Both the Council and the EP have established their negotiation positions at the end of 2021. The trilogies have started and the French Council Presidency intends to finalise the negotiations by the end of their term. The exact scope of the ESAs powers and the resource implications are still in negotiations.

### EUROPEAN SINGLE ACCESS POINT (ESAP)

As part of the action plan on the Capital Markets Union the Commission has put forward on 25.11.2021 a legislative proposal to set up an EU-wide digital access platform to companies' public financial and sustainability information (European Single Access Point (ESAP)). This proposal complements that initiative, by contributing to achieving the objectives of the Digital Finance Strategy for the EU, by requiring that reported sustainability information be digitally tagged. ESAP will gather and make available the financial and sustainability information that companies have to disclose under the current rules. Under the ESAP proposal the ITS mandates are assigned to the three ESAs on cross sectoral aspects, several mandates included for EIOPA to ensure that the disclosure by the insurers of IORPS and PEPP providers meet the format requirements to be ready for integration in ESAP.

57. Cross-sectoral aspects of the ITS are mandated to all ESAs.

### ESA'S REVIEW

58. COM is considering the input received during the public consultation as well as the technical input from the ESA's. A majority of stakeholders considers that it is too soon to evaluate fully the changes implemented since the last ESAs review. Therefore only sectorial legislation will be considered for the forthcoming report.

### DECISION

59. Not applicable.

## CONCLUSIONS AND ACTION POINTS

60. Not applicable.

## AGENDA ITEM 4: INSTITUTIONAL TOPICS

### 4.1. EIOPA BUDGET 2021: EXECUTION REPORT

61. The Head of Corporate Support Department presented the highlights of the budget execution report for 2021. The budget was amended twice in 2021, to reflect the additional funds supporting the COM DG REFORM's projects as well as to further reduce the budget for the pension contributions for EIOPA staff in order to more accurately forecast data by the end of the year. EIOPA achieved good execution rates, in particular a 99.98 % implementation rate for commitments.

## DECISION

62. Not applicable.

## CONCLUSIONS AND ACTION POINTS

63. BoS took note of the 2021 budget execution report (EIOPA-BoS-22-033, 27 January 2022).

### 4.2. SINGLE PROGRAMMING DOCUMENT 2022-2024

#### 4.2.1. Revised SPD 2022-2024

64. The ED introduced the revised SPD 2022-2024. EIOPA updated the previous version of the SPD, in particular in relation to streamlining of deliverables in its Annual Work Programme (AWP), notably in the area of sustainable finance and consumer protection, as well as by adding a new workstream relating to the European Single Access Point (ESAP), better articulation of AWP priorities, inclusion of the data and information request calendar for 2022 and the revision of the Key Performance Indicators (KPIs).

65. EIOPA has also provided an estimation of the impact of the implementation of its AWP on national competent authorities' (NCAs) resources.

## DECISION

66. BoS adopted, by consensus, 'the Single Programming Document 2022-2024' (EIOPA-BoS-22-042, 27 January 2022).

## CONCLUSIONS AND ACTION POINTS

67. BoS welcomed the SPD 2022-2024 without comments.



68. EIOPA to periodically review the impact of the Annual Work Programme (AWP) implementation on the NCAs' resources.
69. EIOPA to transmit the document to the EP, Council and COM by 31 January 2022.

#### **4.2.2. EIOPA Budget 2022: Detailed Breakdown**

70. The Head of Corporate Support Department presented the breakdown of the EIOPA Budget 2022. The budget 2022 was adopted by the BoS in December 2021 via a written procedure to permit the start of its implementation. The budget 2022 is in line with the EU Multi Annual Financial Framework 2021-2027 and is 9.79% higher than the budget 2021. The increase is mainly related to the legislative proposal on a Digital Operational Resilience Act (DORA) and the Administrative Agreements signed with DG REFORM.

#### **DECISION**

71. Not applicable.

#### **CONCLUSIONS AND ACTION POINTS**

72. BoS took note of the EIOPA Budget 2022 breakdown information (EIOPA-BoS-22-034, 27 January 2022).

#### **4.3. DRAFT SPD 2023-2025, INCLUDING DRAFT BUDGET 2023**

73. The ED presented the SPD 2023-2025. The document further builds on the priorities set in the SPD 2022-2024, taking into account also the EU Digital Finance Package (incl. DORA), the application of the tasks and powers stemming from the PEPP Regulation, the planned review of the IORP II Directive and the work resulting from the revised Solvency II Directive.
74. EIOPA's draft budget included in the SPD 2023-2025 is in line with EU Multi Financial Framework.

#### **DECISION**

75. BoS adopted, by consensus, the 'SPD 2023-2025 including the draft budget 2023' (EIOPA-BoS-22-043, 27 January 2022).

#### **CONCLUSIONS AND ACTION POINTS**

76. BoS welcomed the SPD 2023-2025 and draft budget 2023.
77. EIOPA to keep the BoS updated regarding the legislative proposal on DORA which is pending final decision by the co-legislators.
78. EIOPA to explore possibilities for adopting the final SPD 2023-2025 before January 2023 in order to assist the NCAs in their planning activities.

79. EIOPA to transmit the document to the EP, Council and COM by 31 January 2022.

#### **4.4. MANDATES 2022**

80. The ED presented the Mandates for 2022, highlighting for each of the mandates the main activities in 2022.
81. The documents were well received by the BoS. Some Members stressed the need for ongoing balancing of EIOPA's ambition with available resources.
82. The Chairperson concluded that the mandates are consistent with the EIOPA's AWP.
83. Question on whether the PEPP work should be reflected best under the SSC rather than CCPFI was raised during the meeting. The ED mentioned that there are also consumer issues related to the PEPP as it is a product sold to consumers and that there is a need to clarify whether the Consumer Protection and Financial Innovation (CCPFI) should play a role in discussing policy proposals.
84. The Chairperson concluded that further attention will be given to tangent issues between Steering Committees, which require a more horizontal overview of responsibilities and activities, such as for example on sustainable and digital finance. The BoS will be informed of further action taken in this regard.

#### **4.2.1. Committee for Consumer Protection and Financial Innovation**

##### **DECISION**

85. BoS adopted, by consensus, the mandate for the Committee for CCPFI, subject to the assessment of the need to further clarify the work on PEPP.

##### **CONCLUSIONS AND ACTION POINTS**

86. EIOPA to ensure PEPP is covered under both CCPFI and Supervisory Steering Committee (SSC), as appropriate.

#### **4.2.2. Policy Steering Committee**

87. A preference for lowering the ambition on pension issues was brought forward by some BoS members. The Chairperson referred that in this area the ambition was already realistic, with explicit reference to the upcoming COM Call for Advice (CfA).

##### **DECISION**

88. BoS adopted, by consensus, the mandate for the Policy Steering Committee (PSC).

## CONCLUSIONS AND ACTION POINTS

89. Not applicable

### **4.2.3. Risk and Financial Stability Steering Committee**

#### DECISION

90. BoS adopted, by consensus, the mandate for the Risk and Financial Stability Steering Committee (RFSC).

## CONCLUSIONS AND ACTION POINTS

91. Not applicable.

### **4.2.4. Supervisory Steering Committee**

#### DECISION

92. BoS adopted, by consensus, the mandate for SSC, subject to the assessment of the need to further clarify the work on PEPP.

## CONCLUSIONS AND ACTION POINTS

93. EIOPA to ensure PEPP is covered under both CCPFI and Supervisory Steering Committee (SSC), as appropriate.

### **4.2.5. Insurtech Task Force**

#### DECISION

94. BoS adopted, by consensus, the mandate for the InsurTech Task Force.

## CONCLUSIONS AND ACTION POINTS

95. Not applicable.

### **4.2.6. IT and Data Committee**

#### DECISION

96. BoS adopted, by consensus, the mandate for the IT and Data Committee .

## CONCLUSIONS AND ACTION POINTS

97. Not applicable.

#### **4.5. EIOPA SUPERVISORY CONVERGENCE PLAN 2022**

98. EIOPA presented the Supervisory Convergence Plan for 2022 highlighting the priority to finalise the projects started in 2021, which suffered some delays due to COVID-19 related deliverables, but also some new projects considered relevant for the insurance market.
99. BoS supported the plan, noting that it was quite ambitious.

#### **DECISION**

100. BoS adopted, by consensus, the 'Supervisory Convergence plan 2022', (EIOPA-BoS-21/619, 12 January 2022).

#### **CONCLUSIONS AND ACTION POINTS**

101. EIOPA to publish the Supervisory Convergence plan on EIOPA's website.

#### **AGENDA ITEM 5: CONSULTATION PAPER ON RETAIL INVESTOR PROTECTION**

102. EIOPA staff presented the main changes introduced to the draft Consultation Paper (CP), following the comments received from BoS in a written procedure preceding the BoS meeting.
103. BoS supported the Consultation Paper and the good work done within a limited timeframe.
104. It was proposed to include a consultation question on the benefits of the introduction of a cost cap.
105. The Chairperson concluded that no further changes to the CP are needed given the general support from the BoS. In addition, a question was already included in the CP asking stakeholders whether "other measures" could be more effective in promoting cost-efficiency, and the topic of caps had been already explicitly referred to as part of the options to tackle conflicts of interests in the sales process.

#### **DECISION**

106. BoS approved, by consensus, the 'Consultation Paper on retail investor protection' (EIOPA-BoS-22-020, 07 January 2022).

#### **CONCLUSIONS AND ACTION POINTS**

107. BoS supported the Consultation Paper on retail investor protection.
108. EIOPA to publish the Consultation Paper and launch public consultation running until 25 February 2022.

## **AGENDA ITEM 6: AMENDMENTS ON ITS ON SUPERVISORY REPORTING AND PUBLIC DISCLOSURE**

109. The Head of Supervisory Processes Department presented the main changes introduced in the amendments to the Implementing Technical Standards (ITS) on reporting and on public disclosure following the public consultation.
110. BoS welcomed the amendments, in particular the decrease of the new reporting requirements and the postponement of the implementation date.
111. Among the points raised by the Members were: i) the need to review in the future the internal model templates to consider lessons learned from the implementation and ii) to consider if the threshold on cyber underwriting template was adequate and capturing the need for major national players to report such information if cyber underwriting is material, even if they present a very diversified portfolio.

## **DECISION**

112. Not applicable.

## **CONCLUSIONS AND ACTION POINTS**

113. BoS supported and appreciated the work done including the postponement of the implementation date to accommodate stakeholders' concerns while keeping the reporting requirements fit for purpose.
114. EIOPA to further review the threshold for the new cyber underwriting template to avoid that major a national player to be potentially excluded from reporting even if cyber underwriting is material in the market.

## **AGENDA ITEM 6i: INQUIRY PANEL**

115. The Chairperson introduced the topic and informed the BoS that she decided to ask the BoS to convene an inquiry panel after receiving a request from the COM. The Head of the Oversight Department presented the inquiry's features including procedural and legal aspects.
116. Some Members raised questions about the legal basis for launching such an inquiry, although not formally objecting it. The Chairperson proposed to have the approval of the start of the Inquiry conditional on an assessment by the members of the Inquiry Panel, in order for the panel to confirm that there is sufficient ground to go forward.
117. Members requested EIOPA to consider, going forward in potentially similar cases, to provide more legal background, in advance of the BoS meeting.

## DECISION

118. BoS (with the abstention of one member) decided to: i) convene an Inquiry Panel composed of the following members: Patrick Montagner, Damian Jaworski, Jiří Kalivoda, Teija Korpiaho, Margarida Corrêa de Aguiar and Domhnall Cullinan; ii) conditionally launch the inquiry under Article 22(4) of EIOPA Regulation subject to a further assessment and conclusion by the Inquiry Panel.

## CONCLUSIONS AND ACTION POINTS

119. BoS agreed to launch the inquiry under Article 22(4) of the EIOPA Regulation and to convene an Inquiry Panel on the condition that the Inquiry Panel would confirm this decision during its first meeting after having received more information about the admissibility check as well as the case.

120. EIOPA to share the legal response with BoS after liaising with one Member.

## AGENDA ITEM 7: EIOPA'S DECISION ON PEER REVIEWS (INCLUDING REVISED METHODOLOGY FOR PEER REVIEWS)

121. EIOPA staff presented the main aspects of the draft EIOPA Decision on peer reviews ("the Decision"), which will replace the Decision of the European Insurance and Occupational Pensions Authority adopting the methodology for the conduct of peer reviews (EIOPA-BoS-18-354).

122. EIOPA explained that the Decision had already benefitted from the consultations with NCAs and the Management Board.

123. In answer to a Member's question why Art. 11(2) wording seemed to differ from EBA's and ESMA's, and whether methodologies should not be aligned, EIOPA staff said that any ambiguity would be removed from the text.

124. BoS supported the document and proposed minor amendments to be incorporated into the Decision.

## DECISION

125. BoS adopted, by consensus, the 'EIOPA Decision on peer reviews', (EIOPA-BoS-22/030, 27 January 2022), subject to minor drafting amendments.

## CONCLUSIONS AND ACTION POINTS

126. EIOPA to incorporate minor drafting suggestions in the Decision and publish it on EIOPA's website.

## **AGENDA ITEM 8: COMPOSITE INSURERS: DISCUSSION AND OPTIONS**

127. The Head of the Policy Department presented the issue and explained why EIOPA suggested to postpone further work on composites until the next Solvency II Level 1 review. The prohibition is not the most consistent part of Solvency II, but there is no indication that risks have changed since the introduction of Solvency II and so other topics should be prioritised.

128. Several Members supported the suggestion to postpone, while a few Members explained why they see the prohibition of new composites as an issue in their country.

129. The Chairperson, while noting that some Members are interested in the topic which should make it easy to gather enough resources for any work in future, pointed out that given the need for efficient use of resources and in the absence of an upcoming Level 1 review, there are currently other priorities and suggested to postpone further work on the composites.

### **DECISION**

130. BoS adopted, by simple majority voting, to postpone further work on composites until the next review of the Level 1 text but to consider whether any work not related to reviewing level 1 could be taken forward as part of the AWP for 2023.

## **CONCLUSIONS AND ACTION POINTS**

131. EIOPA to consider the topic when setting up next SPD.

## **AGENDA ITEM 9: ROADMAP FOR THE DEVELOPMENT OF CYBER STRESS METHODOLOGIES**

132. The Head of the Risks and Financial Stability Department presented the “Roadmap for the development of insurance stress testing methodological principles with focus on cyber risk”. The document proposes to set up a new work stream under the RFSC Project Group on methodological principles of insurance stress testing to work on cyber risk, focusing both on cyber resilience and cyber underwriting. The work stream will design the methodological framework to assess the financial impact of cyber stress scenarios, with no overlaps with other existing EIOPA structures working on cyber risk including operational resilience testing.

133. BoS expressed support for the project highlighting the relevance of cyber risk and the challenge of its assessment.

134. Members highlighted the need to coordinate with other EIOPA structures working on IT and cyber risk to avoid duplication of work and benefit of the existing expertise.

135. The RFSC Chair emphasized the need for NCAs to nominate experts with appropriate skills.

### **DECISION**

136. BoS adopted, by consensus, the ‘Roadmap for the development of insurance stress testing methodological principles with focus on cyber risk’ (EIOPA-BoS-22-011, 14 January 2022).

### CONCLUSIONS AND ACTION POINTS

137. EIOPA to ensure coordination within other existing EIOPA structures working on cyber risk and cooperation among ESAs, Agencies and NCAs to benefit from their expertise and to avoid overlaps.

138. NCAs to commit the resources needed for the project.

### AGENDA ITEM 10: AOB

139. The Chairperson informed the BoS that EIOPA will continue with its plans for the March BoS as an in-person meeting. More concrete information to come after mid-March.

### DECISION

140. Not applicable

### CONCLUSIONS AND ACTION POINTS

141. Not applicable



**ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 25.11.2021 TO 27.01.2022**

**BOS-2021-82**

142. Decision adopting, by consensus, the EIOPA Supervisory Handbook Chapter on the supervision of disclosures.

**BOS-2021-87**

143. Decision adopting, by consensus, the EIOPA 2021 cross-border report.

**BOS-2021-89**

144. Decision adopting, by consensus, the Pilot Exercise on Climate Change Adaptation in Non-Life Underwriting and Pricing.

**BOS-2021-90**

145. Decision adopting, by simple majority, the Q&A 1489 on Encumbrances.

**BOS-2021-91**

146. Decision adopting, by consensus, the Q&A 2199 on diversification between currencies in the interest rate risk sub-module.

**BOS-2021-92**

147. Decision adopting, by consensus, the EIOPA Financial Stability Report December 2021.

**BOS-2021-93**

148. Decision adopting, by consensus, the EFIF procedural framework for cross-border testing.

**BOS-2021-94**

149. Decision adopting, by consensus, the Report on Limitations and Exemptions from Solvency II reporting in 2020 and Q1 2021.

**BOS-2021-95**

150. Decision adopting, by consensus, the Report on the application of the Insurance Distribution Directive.

**BOS-2021-96**

151. Decision adopting, by consensus, the Joint Q&A 5454 "Does vendor financing constitutes synthetic securitisation?".

**BOS-2021-97**

152. Decision adopting, by simple majority, the report and draft note on the validation process of the 2021 Insurance Stress Test exercise.

**BOS-2021-98**

153. Decision adopting, by consensus, the composition of ad the hoc peer review committee (PRC) on the Follow-up on the peer review on propriety of administrative, management or supervisory body members (AMSB) and qualifying shareholders.

**BOS-2021-99**

154. Decision adopting, by consensus, the Updated Methodology for conducting Thematic Reviews.

**BOS-2021-101**

155. Decision adopting, by consensus, the Second Amendment of EIOPA Budget 2021.

**BOS-2021-102**

156. Decision adopting, by consensus, the EIOPA 2nd Annual Report on administrative sanctions and other measures under the Insurance Distribution Directive (IDD) in 2020.

**BOS-2021-103**

157. Decision adopting, by consensus, the Q&A on the Key Information Document (KID) for PRIIPs.

**BOS-2021-104**

158. Decision adopting, by consensus, the Final Minutes of the 73rd Board of Supervisors Meeting held via videoconference on 24-25 November 2021.

**BOS-2021-105**

159. Decision adopting, by consensus, the replacement of SME representative in the Occupational Pensions Stakeholder Group.

**BOS-2021-106**

160. Decision adopting, by consensus, the EIOPA Budget 2022.

**BOS-2021-107**

161. Decision adopting, by consensus, the composition of ad the hoc peer review committee (PRC) for the Peer Review on Product Oversight and Governance.

**BOS-2021-108**

162. Decision adopting, by consensus, the Methodological principles of insurance stress testing and related Stakeholders' comments.

**BOS-2021-109**

163. Decision adopting, by consensus, the 2021 list of identified Financial Conglomerates.

**BOS-2021-110**

164. Decision adopting, by consensus, the revised mandates of the four permanent Subcommittees of the Joint Committee of the European Supervisory Authorities (ESAs).

**BOS-2021-111**

165. Decision adopting, by consensus, the 2021 Consumer Trend Report and Heat map (BoS-2021-111).

**Participants at the Board of Supervisor's Meeting via Videoconference****27 January 2022****Chairperson:** Petra Hielkema

<b><u>Country</u></b>	<b><u>Voting member/ Alternate</u></b>	<b><u>Accompanying Experts</u></b>
<b>Austria</b>	Peter Braumüller/[-]	Gerlinde Taurer (PoA)
<b>Belgium</b>	Jean Hilgers/Dieter Hendrickx	
<b>Bulgaria</b>	Vladimir Savov/[-]	
<b>Croatia</b>	Ante Žigman/ Ilijana Jeleč	
<b>Cyprus</b>	Antonia Tsangaris /Constantinos Kalopsidiotis	
<b>Czech Republic</b>	Zuzana Silberová /Jiří Kalivoda	Hana Marčíková
<b>Denmark</b>	[-]/ Per Plougmand Bærtelsen	
<b>Estonia</b>	Stina Mander (PoA)/	
<b>Finland</b>	Anneli Tuominen/Teija Korpiaho	Silvaliisa Virri
<b>France</b>	Patrick Montagner/ Ludovic Lebrun	
<b>Germany</b>	Frank Grund/ Thomas Schmitz-Lippert	Petra Faber-Graw
<b>Greece</b>	Ioanna Seliniotaki /Ioannis Chatzivasiloglou	
<b>Hungary</b>	Koppány Nagy /Ferenc Szebelédi	
<b>Ireland</b>	Domhnall Cullinan/[-]	Christopher Joyce/Joseph Collins
<b>Italy</b>	Alberto Corinti/[-]	Giuseppa Bentivegna
<b>Latvia</b>	[-]/Evija Dundure	
<b>Lithuania</b>	Renata Bagdonienė/Marius Dumbauskas	
<b>Luxembourg</b>	Thierry Flamand/Yves Baustert	Valérie Scheepers
<b>Malta</b>	Ray Schembri/Luciano Micallef	
<b>Netherlands</b>	Else Bos/Armand Schouten	Véronique Hijl
<b>Poland</b>	Damian Jaworski/Mariusz Smętek	
<b>Portugal</b>	Margarida Corrêa de Aguiar/Hugo Borginho	Ana Byrne
<b>Romania</b>	Valentin Ionescu (PoA)/[-]	Beatrice Verdes
<b>Slovakia</b>	Júlia Cillíková/[-]	Zuzana Kardošová
<b>Slovenia</b>	Goraz Čibej/Mojca Rome	
<b>Spain</b>	Sergio Alvarez / Javier Castillo García	
<b>Sweden</b>	Åsa Larson/Bertil Sjö	

## FINAL MINUTES

<b><u>Country</u></b>	<b><u>Permanent Representative/ Alternate</u></b>	<b><u>Accompanying Experts</u></b>
<b>Belgium</b>	Henk Becquaert/[-]	
<b>Cyprus</b>	[-]/[-]	
<b>Ireland</b>	[-]/[-]	
<b>Italy</b>	[-]/Ambrogio Rinaldi	

<b><u>EEA EFTA Country</u></b>	<b><u>Non-Voting Member/ Alternate</u></b>	<b><u>Accompanying Experts</u></b>
<b>Iceland</b>	Sara Sigurðardóttir (PoA)/[-]	
<b>Liechtenstein</b>	Alexandre Imhof/[-]	
<b>Norway</b>	[-]/Hege Elstrand	Brita Hrenovica

<b><u>Institution</u></b>	<b><u>Non-Voting Member/ Alternate</u></b>	<b><u>Accompanying Experts</u></b>
<b>European Commission</b>	Martin Merlin/ [-]	Johannes Backer
<b>ESMA</b>	[-]/[-]	Tomas Borovsky/Roxana De Carvalho
<b>EBA</b>	[-]/[-]	Philippe Allard
<b>ESRB</b>	Francesco Mazzaferro/ [-]	
<b>EFTA</b>	[-]/[-]	Marta Margret Runarsdottir

<b><u>Observers</u></b>	<b><u>Representative</u></b>	<b><u>Accompanying Experts</u></b>
N/A	[-]/[-]	

**EIOPA Staff**

<b>Executive Director</b>	Fausto Parente
<b>Head of Corporate Affairs Department</b>	Susanne Rosenbaum
<b>Head of Corporate Support Department</b>	Danny Janssen
<b>Head of Policy Department</b>	Justin Wray
<b>Head of Risk and Financial Stability Department</b>	Dimitris Zafeiris
<b>Head of Oversight Department</b>	Patrick Hoedjes
<b>Head of Supervisory Processes Department</b>	Ana Teresa Moutinho