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**Draft EIOPA
Work Programme 2011**

and

**Draft Joint Committee
Work Programme 2011**

Table of Contents

1. Introduction	3
2. Insurance	5
2.1. Solvency II	5
2.2. Group issues under the current Insurance Groups Directive	7
2.3. Equivalence	7
3. Occupational pensions	9
4. Financial stability	10
5. Consumer protection/Financial Activities	11
6. Cross-border crisis management and solution and colleges	12
6.1. Cross border crisis management	12
6.2. Colleges	12
7. Supervisory culture, convergence and cooperation	13
7.1. Supervisory culture	13
7.2. Supervisory practices	14
8. Further areas of work	15
8.1. Accounting	15
8.2. International relations	15
8.3. Transition	15
Appendix I: Deliverables for 2011	16
Appendix II: Draft EIOPA training programme for 2011	31
Appendix III: Draft Joint Committee Work Programme 2011	33

1. Introduction

This work program marks the start of the work of EIOPA. The objectives set in this work plan are based on the Regulation establishing EIOPA, as it has been approved by the European Parliament on 22 September 2010 and on the ongoing work program of CEIOPS, which will be continued under EIOPA.

The transition from CEIOPS to EIOPA is not a process that will be completed on 1 January 2011. Although EIOPA will be operational and up-and-running from the first day, a lot of less urgent procedures and processes still have to be incorporated during the first months, and some even up till the end of the year, given their nature. This transition, in the middle of the ongoing and important work that CEIOPS/EIOPA is doing on the area of Solvency II and pensions, is creating extra challenges for EIOPA to keep track with all the ambitious goals that are set. To keep its success going, CEIOPS/EIOPA has relied on a small, but dedicated team to reach its goals. During 2010, this team has steadily grown, from 17 in January to 27 in December. And further growth is foreseen to around 50 at the end of 2011 as the new tasks and responsibilities under the Regulation will push EIOPA further.

Despite this gradual growth, EIOPA cannot from the start accomplish all the tasks and responsibilities as set in the Regulation to its full extent. For a part this is channeled because many of the new responsibilities are linked to Solvency II which will come into force in January 2013. For another it means that priorities need to be set and that certain elements of work of EIOPA will develop gradually as our team will continue to develop.

For 2011, the main priorities are:

1. Delivery on Solvency II and Pensions (chapter 2 and 3)
2. Data collection and processing (chapter 4)
3. Consumer protection/Financial Activities (chapter 5)
4. Cross-border crisis management and solution and colleges (chapter 6)

These priorities represent the ongoing work from CEIOPS to EIOPA in Solvency II and pensions, the strengthening of existing cooperation with our Members and 3L3 colleagues in colleges, crisis solution and data collection and fostering channels with consumers (representative organizations) and with new stakeholders like the ESRB.

This list does not represent all the work that will be carried out at EIOPA. EIOPA will continue the work that has successfully been done on supervisory convergence and

culture, by offering a well established training program. For 2011 the aim is to more closely align this training program to the needs of supervisors “out in the field” and to transfer policy knowledge into operational tools. The details are described in chapter 7.1. Also EIOPA will develop new initiatives for conducting peer reviews based on the new tasks outlined in the EIOPA Regulation and building on the experience from the first peer review exercise finalised in 2010. The details are described in chapter 7.2.

Further areas of work will be the work done on accounting, international relations and the ongoing work on Transition, described in Chapter 8.

2. Insurance

2.1. Solvency II

The implementation date of the Solvency II framework (31 December 2012) is coming closer and Member States are getting prepared to implement the new framework in their national law. EIOPA is committed to further develop the future regime, and at the same time is preparing the necessary tools and processes to ensure a smooth transition.

The Solvency II work plan for 2011 will be characterised by a **heavy regulatory work load** at a time where the implementation efforts are increasing among Member States and industry. Coordination between the different work streams is of key importance to ensure the final consistency of the Level 2 measures, guidelines and technical standards.

The results of the last major quantitative impact study before implementation, **QIS5**, will be available in the first quarter of 2011, and will help identifying the major remaining regulatory issues that need to be solved before the implementation.

The Commission is aiming to make a proposal for the **Level 2** implementing measures in June 2011. EIOPA will further contribute where necessary on key issues in the finalisation of the Level 2 proposals and final measures.

The process for EIOPA's deliverables on technical standards and Level 3 guidelines is influenced by the timing of the proposals and adoption of the Level 2 measures, as well as the adoption of the Omnibus 2 Directive, which will amend the Solvency II Directive in respect of the powers of EIOPA.

The draft Omnibus 2 Directive foresees that EIOPA will be required to draft **binding technical standards** in various areas by December 2011.¹ This will cover a large part of the work programme for 2011.

Non-binding Level 3 guidelines in various areas are being envisaged and will be further prepared by EIOPA in 2011 to support the convergent application of the new rules. The ultimate adoption date by EIOPA will be March 2012, in time for Member States to decide whether to apply the guidelines or to express their intention and rationale for not adopting (comply-or explain).

The drafting of technical standards and Level 3 guidelines are being prioritised according to whether they are considered essential before the implementation of Solvency II. Where appropriate, EIOPA will be assessing the costs and benefits of its proposed technical standards and guidelines as an ongoing requirement for better regulation.

In the absence of publicly available Level 2 measures until June 2011, CEIOPS will not be able to publicly consult on Level 3 guidelines, or on technical standards until then. Therefore, informal **pre-consultations** will be held with selected stakeholders that have been consulted by the Commission during the consultation on QIS5 technical specifications and the discussion on the Level 2 measures.

¹ 16 areas have been identified at the time of drafting the work plan.

Solvency capital requirements, own funds and technical provisions

Pillar 1 elements regarding capital requirements, own funds and the calculation of technical provisions will be fine-tuned using the results of QIS5.

In the frame of QIS5, CEIOPS will have collected data to refine the calibration for the non-life and non-SLT health risk module. A Joint Working Group consisting of representatives of AMICE, Groupe Consultatif, CEA and CRO forum as well as observers from the European Commission has been set up by CEIOPS to discuss the most appropriate calibration methods.

Further work on specific issues arising from QIS5, such as the standardised scenarios for catastrophe risk in the standard formula will be undertaken.

Actuarial guidelines are being developed to assist the actuarial function under Solvency II to calculate the best estimate in a convergent manner.

As QIS5 is testing approaches for grandfathering own funds elements, EIOPA will look into the impact and feasibility of grandfathering in this area.

Internal models

With regard to internal models, in 2011, CEIOPS will issue specific Level 3 guidelines in areas that it considers essential for a smooth implementation of the provisions for the internal models approval set out in Solvency II.

CEIOPS' task force on pre-application will continue to carry out initiatives that should contribute to enhance supervisory convergence and consistency in the pre-application process, both in terms of processes and outcomes. To this end, CEIOPS will organise specific informal meetings to enhance experience and problems faced by Supervisory Authorities during the pre-application process and/or the review of internal models, and ad-hoc training initiatives will be carried out.

Reporting and disclosure

The aim of the work on reporting and disclosure is to develop a harmonised approach through the introduction of common reporting templates and formats. Following informal consultation on the draft reporting templates with selected stakeholders, EIOPA will continue to consult stakeholders on the overall reporting requirements in the course of 2011. Due to the importance of the work in this area and the expected challenges for the implementation, EIOPA considers this is one of the key areas in which stakeholders need to be involved, and where the preparatory work for the implementation needs to start early. Therefore, EIOPA aims to stabilize the reporting templates as soon as possible.

Governance

Level 3 guidelines on the system of governance and ORSA will be the major deliverables expected for 2011 in this area. The guidelines on the system of governance will cover the risk management system and the internal control system, as well as requirements with regard to fit and proper, outsourcing and the four functions in the insurance undertaking (risk management, compliance, internal audit and actuarial function).

Supervisory review process

The aim of the requirements on the supervisory review process (SRP) is to build the ground for a consistent approach to supervision across the EU and convergence in supervisory practices.

Level 3 guidelines on SRP will cover the objectives and general principles of supervision, the risk assessment framework and process of supervision, including review, supervisory powers and actions.

Guidelines on the transparency and accountability of supervisors will be developed in the course of 2011, too.

Group issues

On the basis of the existing guidelines, as well as cross-sectoral and international developments, CEIOPS will develop the guidelines and tools that are necessary to ensure a proper functioning of supervisory colleges under Solvency II.

Level 3 guidelines on intra-group transactions and risk concentration will be developed to provide a common basis for all groups and supervisors in this area.

Group issues with respect to ORSA, internal models or reporting will be developed at the same time as the solo requirements in those areas.

Following the results of QIS5, guidelines for calculating the solvency position of groups will be developed in the areas where the Level 1 and Level 2 are not sufficiently detailed.

2.2. Group issues under the current Insurance Groups Directive

The supervision of cross-border insurance groups under the current regulatory framework needs to be further enhanced in 2011. To minimize the supervisory burden on insurance groups and to be better prepared for times of crisis, in 2011, EIOPA will work towards the convergence of supervisory practices and supervisory co-operation.

2.3. Equivalence

The 2011 CEIOPS deliverables for equivalence will be driven by the 29 October 2010 Call for Advice from the Commission². As per this latest request, CEIOPS will need to produce by end September 2011 its fully consulted upon advice as to equivalence assessments of the Swiss and Bermudian supervisory system for reinsurance, group solvency calculation and group supervision while the Japanese supervisory regime will be assessed only for reinsurance supervision equivalence.

Beginning December 2010 with CEIOPS will initiate simultaneously its assessments for each 3rd country indicated by the EC. CEIOPS assessments will be undertaken

² <https://www.ceiops.eu/requests-for-advice/index.html>

simultaneously by dedicated assessment teams which will have less than approximately 40 weeks to produce their reports.

This makes the process highly resource demanding as all these assessment teams will need to have the necessary expertise, knowledge, supervisory experience and size to match the extent of the assessment as well as the complexity of the third country supervisory system. CEIOPS Secretariat and then EIOPA will fully support the process by allocating resources and ensuring coordination between the assessment teams.

For each assessment CEIOPS will ensure full transparency of the process with:

- a call for evidence as the first step of the project and
- a public consultation on findings, before submission of its advice to the EC.

Throughout the second part of 2011, CEIOPS will review and adapt its current methodology on equivalence assessments³ and issue it as Level 3 guidance to EU group/individual supervisors. This will allow EU group/individual supervisors to pursue equivalence assessments in a consistent manner and will ultimately lead to enhanced supervisory convergence on the matter.

The Level 3 methodology for group/individual supervisors will incorporate all relevant regulatory developments from the 1st half of 2011 as well as practical experience from CEIOPS initial 3rd country assessments. It is expected that this Level 3 guidance will be available for supervisors use towards the end of 2011.

³ <https://www.ceiops.eu/publications/standards-and-more/index.html>

3. Occupational pensions

The European Commission expects to initiate a review of the IORP Directive soon after the closing date for their consultation on the Green paper on pensions on 15 November. Responding to the European Commission's Calls for Advice to contribute to the review and to a related impact assessment is likely to form the biggest and most high profile part of the EIOPA's work on occupational pensions in 2011. At the time of writing, neither the content of the Call for Advice nor the timetable for delivery have been confirmed by the Commission. However, CEIOPS stands ready to adapt its resources and draw up detailed plans for a timely delivery of its advice as soon as the information becomes available.

A number of projects started in 2010 will be finalised in 2011. These are: "Reporting to supervisory authorities" to be completed in Q1 and a DC focused project which will map the risks to members of DC schemes, including the analysis of certain selected risks, to be completed in Q3.

EIOPA will also publish a 2011 update to its "Report on Market Developments" which tracks overall activity in the market for European cross-border occupational pension provision since 2007.

In December 2009 CEIOPS Managing Board instructed CEIOPS to undertake a separate piece of work on PRIPs and pensions, while shadowing the developments in the 3L3 Task Force on non-pension PRIPs. The 3L3 Task Force report was completed in October 2010. CEIOPS project will continue in 2011, taking into account the outcome of the Pensions Green paper consultation and the scope of the review of the IORP Directive.

4. Financial stability

In line with EIOPA's mandate the tasks in relation to financial stability aim at identifying, at an early stage, trends, potential risks and vulnerabilities stemming from the micro-prudential level and to inform, where necessary, the appropriate institutions.

EIOPA will monitor structural developments in the sectors as well as risks related to specific products where relevant. Furthermore, a risk dashboard will be developed in cooperation with the ESRB and other ESAs. Also a harmonised, pan-European stress test for the insurance sector will be carried out. The stress test will be developed in cooperation with the ESRB and aim at using common methodologies for assessing the effect of economic scenarios on an institutions' financial position.

As in previous years EIOPA will deliver, in the Autumn of 2011, an annual assessment of sector developments highlighting implications for financial stability, with a provisional report in the Spring of 2011 outlining main market trends since the end of 2010. EIOPA will report regularly on financial conditions and financial stability in the (re)insurance and occupational pensions sectors in the European Union to the European Economic and Financial Committee (EFC) – Financial Stability Table.

In co-operation with the banking and securities supervisors, in 2011 CEIOPS will continue to monitor contagion risks, such as feedback loops between the financial sector and the real economy; cross-sector holdings and exposures; market confidence; and changes in products, asset prices and deleveraging, between the different sectors as well as within financial conglomerates. The findings will be reported in the context of the joint three Level 3 work on cross-sector risks to financial stability in Europe.

EIOPA will further develop its database of current and historical data for occupational pension funds, insurance and reinsurance undertakings in the European Union, gathered in the context of EIOPA's Financial Stability Reports.

Looking forward to the introduction of Solvency II, EIOPA will have regard to that data to be collected for the purposes of single reporting standards, due to come into force in 2012, also includes as much data as possible required for financial stability purposes including those of ESRB.

Following the new regulation on both EIOPA and ESRB a framework for exchange of information will be established in cooperation with ESRB and other ESAs.

5. Consumer protection

EIOPA will be taking on significant new powers and tasks in the field of consumer protection and financial activities under its empowering Regulation, which present interesting new challenges and opportunities. Like the other European Supervisory Authorities – ESMA and EBA, EIOPA will invariably need time to come fully to grips with these new tasks and powers.

The tasks include analysing consumer trends, reviewing financial literacy initiatives, developing industry training standards, contributing to common disclosure rules, monitoring existing/new financial activities, establishing a Committee on Financial Innovation and temporarily prohibiting/restricting certain financial activities⁴. A structured process for putting these new tasks into effect will be put into place over the coming months.

In addition, EIOPA will continue to provide assistance to the Commission with existing policy initiatives:

- Consumers should feel confident and empowered to make the right choices when purchasing financial products such as investment-based insurance. In this respect, CEIOPS Members contributed to a 3L3 Task Force report on Packaged Retail Investment Products (PRIPs), which was submitted to the Commission on 6 October 2010. It is possible that EIOPA will take up further work in this area in 2011, under the aegis of the Joint Committee of the ESAs, once the Commission has published legislative proposals on PRIPs.
- Insurance intermediaries play a central role in the distribution and selling of insurance products. CEIOPS provided the Commission with draft Advice on the revision of the Insurance Mediation Directive in November 2010. EIOPA will continue to provide assistance to the Commission, where requested, with its legislative proposal to revise the Insurance Mediation Directive (IMD), which is expected at the end of 2011.
- EIOPA will also continue to provide input into the Commission's policy-making with regards to Insurance Guarantee Schemes (IGS). Following the publication of a White Paper in July 2010, CEIOPS provided detailed input into the Commission's consultation. EIOPA will continue in a similar vein in 2011 as and when the Commission publishes a draft Directive to ensure that IGS exist in all Member States and that they comply with a minimum set of design features.

As ever, in taking all these initiatives and any further work-streams relating to consumer protection forward, EIOPA will seek close cooperation with its Stakeholder Groups.

⁴ All tasks taken from the wording of old Article 6a (new Article 9) of the draft Regulation establishing EIOPA, although not articulated in full.

6. Cross-border crisis management and solution and colleges

6.1. Cross border crisis management

The Regulation clearly states the expectations for the new supervisory bodies:

"The Authority should be able to require national supervisory authorities to take specific action to remedy an emergency situation." (recital 20a)

EIOPA should therefore be prepared to take action when an emergency situation arises, from the first day on. Because EIOPA will be relatively small at the start, this work shall be organised on a project management basis, whereby coordination will be run by EIOPA's Secretariat whereby Members supply input to set up a crisis management system.

Work in this area also requires a high level of cooperation between the 3 European Supervisory Authorities, the ESRB, Council and Commission. Joint work on this area has already started.

6.2. Colleges

EIOPA's role in colleges will be distinctively different than the more supporting role CEIOPS had. Recital 22 of the Regulation states:

"The Authority should contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges of supervisors and in that respect have a leading role in ensuring a consistent and coherent functioning of supervisory colleges for cross-border institutions across the Union. It should therefore have full participation rights in colleges of supervisors with a view to streamlining the functioning of and the information exchange process in colleges and to foster convergence and consistency across colleges in the application of Union law."

Starting in the second quarter of 2011 EIOPA staff will actively participate as members in College meetings. This work will also feed into Solvency II work-streams on supervisory Colleges by clarifying, strengthening and streamlining the role and functioning of the current Colleges.

EIOPA will work on the implementation of a common IT tool for the exchange of information within the current Colleges and the future Colleges of supervisors, both in normal and crisis times, with the aim to have the tool ready by beginning of 2012.

7. Supervisory culture, convergence and cooperation

7.1. Supervisory culture

The new Regulation establishing EIOPA (Article 14) stresses the importance of the Committee's role in the development of common supervisory culture in the European Union through facilitating technical training and the exchange of staff to build common supervisory skills and approaches.

Training plays a key role in the development of common supervisory practices in the field of insurance, reinsurance and occupational pensions and it is one of the main tools for achieving a common supervisory culture.

The topics covered in the trainings are in line with the work developed by CEIOPS Working Groups and Committees, where Solvency II is one of the main drivers, followed by Financial Stability, Occupational Pensions, Consumer Protection and Convergence.

Under Solvency II, given the ongoing development of the L2 measures, most of the trainings carried out until recent were focusing on an update of the work in progress. The implementation of Solvency II by end 2012 will be followed by a shift from regulation to supervision. The aim for the future trainings is to target operational supervisors and to prepare them better for the Supervision under Solvency II, by introducing a practical approach as the preferred methodology of training.

The main findings of the questionnaire on the Preparedness of Insurance supervisors to implement Solvency II conducted in June 2010 have shown that training plays a major role in spreading the SII culture within the organisations. This shows the importance of common supervisory culture linked to the training at European level, which not only complements but also enhances training at national level.

Following priorities can be identified in this area:

- In line with the developments for training under EIOPA, the aim for the future trainings is to target operational supervisors and to prepare them better for supervision under Solvency II, by introducing a practical approach as the preferred methodology of training.
- Training will focus on the difference between the new and the old supervisory framework in order to allow supervisors to focus on the new requirements.
- Other general tools will be developed: a **website-based library** (mainly on Solvency II, but also from other areas); **case-studies** as an ongoing requirement for working groups when developing regulatory measures; the possibility for members to request **ad hoc training** on specific areas (such as Solvency II internal modelling framework; assessment of the (group) internal model during the pre-application process) or to host the **repetition of a standard seminar**; exchanging questions and answers between Solvency II implementation project managers through the EIOPA members area website, etc.

As shown in Appendix x, CEIOPS expects to run the following training events in 2011:

- 14 sector seminars, including 1-2 ad hoc trainings or repetitions of standard seminars
- 3 cross-sector seminars
- 2 public events: the Public Hearing on QIS5 and the EIOPA Conference

As in previous years, the training programme will draw heavily on the support from CEIOPS Members and working group experts, in coordination with the Secretariat staff.

In the context of its work on developing common supervisory culture, CEIOPS believes in the importance of staff exchanges in the form of study visits and secondments among supervisors. CEIOPS supervisory culture webpage was re-designed in 2010. The new, friendlier page incorporates the latest IT improvements to facilitate interactions between CEIOPS and its Members and among Members themselves on matters relating to training and the exchange of staff.

7.2. Supervisory practices

Review Panel

The Regulation on EIOPA provides for new specific peer review tasks which the Review Panel will start implementing in 2011. Therefore by mid 2011 the Review Panel will finalise a prioritization exercise through analysis and planning activities, intended to lay the foundation for the implementation of the tasks proposed by the EIOPA Regulation.

By end 2011, the Review Panel will start implementing the peer review tasks of highest priority.

8. Further areas of work

8.1. Accounting

As in the past, EIOPA will continue to follow developments in the European accounting environment, especially by following the work of, and providing input to, the European Financial Reporting Advisory Group (EFRAG) in the context of the application of International Financial Reporting Standard (IFRS) in the European Union. EIOPA will continue to follow the IASB's agenda closely and provide input in areas affecting insurance and/or occupational pensions.

8.2. International relations

In the European System of Financial Supervision, the new European Supervisory Authorities will have a greater international role than the current Level 3 Committees. According to the ESA regulation, given the globalisation of financial services and the increased importance of international standards, ESAs should foster the dialogue and cooperation with supervisors outside the Union.

Combined with the power of the ESAs to draft regulatory standards to which the European Commission can give binding legal effect, EIOPA will seek greater representation in relevant international organisations in order to realise its standard setting role in insurance and pensions. At the same time, EIOPA will continue to develop its international relations by holding regulatory dialogues and maintaining a close contact with third countries including the US, China, Japan and Latin-America.

Equally, EIOPA will assist in preparing equivalence decisions pertaining to supervisory regimes in third countries. CEIOPS work on preparing the equivalence assessments is likely to add a further momentum to the regulatory dialogues, bringing forward discussions on specific aspects of global standards.

8.3. Transition

A number of specific procedures need to be implemented in the course of 2011 to enable EIOPA to be compliant with Commission requirements for European Agencies. This relates to a number of Internal control standards to measure, steer and control the effectiveness, ability and integrity of the organization. In the table in annex I a summary of the internal controls and planned implementation is set.

Furthermore, staff growth will have an impact on the organization, as its size will almost double during 2011, giving challenges to incorporate newcomers in the existing culture and values of EIOPA while at the same time giving room for growth and opening new areas of expertise in the organization. The further development of HR policies and practices within the organization is paramount for the success of this transition.

Appendix I: Deliverables for 2011

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
	<p><u>Disclaimer:</u></p> <p>Deliverables on binding technical standards (BTS) are subject to the approval of the Omnibus 2 Directive (OMD2; proposal expected in November 2010, final adoption Autumn 2011).</p> <p>The tentative areas for BTS have been identified based on a list provided by the European Commission to CEIOPS on 14 October 2010 (source: draft Omnibus 2 which is still subject to discussion and approval). According to the draft OMD 2, the deadline for CEIOPS to submit draft technical standards to the Commission is end December 2011.</p> <p>Deliverables on Level 3 non-binding guidelines depend on the scope of the Level 2 measures (Commission proposal for Level 2 measures is expected in June 2011, final measures by end 2011), the scope for binding technical standards as well as, in some areas, the outcome of QIS5. While drafting is underway in 2011, CEIOPS is aiming to adopt the final Level 3 guidelines before March 2012.</p> <p>Until the scope of the binding technical standards has been clarified, overlaps between the issues to be dealt with at Level 3 may appear in the work plan.</p> <p>Therefore, <u>changes in scope and timing of the deliverables may occur in the coming months.</u></p> <p>Priorities have been based on the need to have in place the specific technical standards and guidelines before implementation of Solvency II. The list hereunder does not take into account additional requests made by the Commission in further developing areas for Level 2 implementing measures, which are expected until the proposal will have been drafted (approx. March 2010).</p>				
	Quantitative Impact Study 5				
1.	Results of the fifth quantitative impact study	QIS5 Report	Mar 2011	EC	H
	Binding technical standards				

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
2.	Transparency and accountability of supervision: Conditions of application concerning templates and structure of the disclosures	Binding Technical Standard (BTS)	Dec 2011	OMD 2	H
3.	Supervisory disclosure: Conditions of application concerning templates and procedures, including, where appropriate, requirements for approval for the submission of information to the supervisory authorities	BTS	Dec 2011	OMD 2	H
4.	Capital add-ons: conditions of application concerning the process of decisions to set, calculate and remove capital add-ons	BTS	Dec 2011	OMD 2	H
5.	Solvency and financial condition report: conditions of application as regards the templates for public disclosure	BTS	Dec 2011	OMD 2	H
6.	<u>Valuation of assets and liabilities other than technical provisions</u> : conditions of application as regards valuation approaches where quoted market prices are either not available or not consistent and as regards the consistency of international accounting standards (with Solvency II valuation principles)	BTS	Dec 2011	OMD 2	H
7.	<u>Valuation of assets and liabilities other than technical provisions</u> : conditions of application on the methods and assumptions to be used where international accounting standards are temporarily or permanently not consistent with the valuation approach (of Solvency II)	BTS	Dec 2011	OMD 2	H
8.	Valuation of technical provisions: Conditions of	BTS	Dec 2011	OMD 2	H

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
	application of Articles 77 to 85				
9.	Own funds: Procedure for granting supervisory approval of ancillary own funds	BTS	Dec 2011	OMD 2	H
10.	Own funds: Conditions of application regarding the classification methods for own funds	BTS	Dec 2011	OMD 2	H
11.	Own funds: Conditions of application regarding the adjustments in relation to ring-fenced funds	BTS	Dec 2011	OMD 2	H
12.	Solvency capital requirements: Conditions of application of Article 103-110	BTS	Dec 2011	OMD 2	H
13.	Internal models: Uniform application of the provisions for the approval of full and partial internal models	BTS	Dec 2011	OMD 2	H
14.	Internal models: to determine standardised techniques which may be used to integrate a partial internal model into the SCR standard formula together with the circumstances where such techniques are appropriate which are consistent with the approaches in paragraph [1d] and where the default techniques are not appropriate	BTS	Dec 2011	OMD 2	H
15.	Internal models: Conditions of application of Article 120-126	BTS	Dec 2011	OMD 2	H
16.	Special purpose vehicles: procedure for supervisory approval of SPVs and the procedures for cooperation	BTS	Dec 2011	OMD 2	H

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
	and exchange of information between supervisory authorities				
17.	Cooperation and exchange of information between supervisory authorities: conditions of application of article 249 as regards the templates and procedures for the submission of information to the group supervisor as well as the procedure for cooperation and exchange of information between the supervisory authorities	BTS	Dec 2011	OMD 2	H
18.	Group solvency and financial condition report: conditions of application as regards the templates for the disclosure of the group solvency and financial condition report	BTS	Dec 2011	OMD 2	H
	Level 3 Guidelines (L3)				
19.	System of governance, including the ORSA	L3	Mar 2012	EC recommendation	H
20.	Reporting and disclosure	L3	Mar 2012	EC recommendation	H
21.	Valuation of technical provisions: actuarial guidelines on the validation techniques, data quality standards, calculation of premium provisions, use of expert judgment, cash-flow projections, simplifications, valuation of future discretionary benefits/options and guarantees/ policyholder behaviour, calculation of technical provisions as a whole, boundaries of the	L3	Mar 2012	EC recommendation	H

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
	insurance contract, calculation of profits arising from future premiums, valuation of future management actions, calculation of the risk margin, unbundling of insurance contracts				
22.	Approval process for ancillary own funds	L3	Mar 2012	own initiative	H
23.	Transitional provisions for own funds (grandfathering)	L3	Mar 2012	own initiative	H
24.	Approval and classification of own funds that do not appear in the list	L3	Mar 2012	own initiative	H
25.	Classification of own fund items	L3	Mar 2012	own initiative	H
26.	Approval process and quality of data for undertaking specific parameters	L3	Mar 2012	own initiative	H
27.	Simplifications for the SCR	L3	Mar 2012	own initiative	H
28.	Pre-application of internal models (groups and solo)	L3	Mar 2012	own initiative	H
29.	Use test for internal models	L3	Mar 2012	EC recommendation	H
30.	Governance of the internal model	L3	Mar 2012	own	H

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
				initiative	
31.	Probability distribution forecasts and the consistency between the methodology use for PDF and the methods used to value assets and liabilities	L3	Mar 2012	own initiative	
32.	Calculation of group solvency	L3	Mar 2012	own initiative	H
33.	Cooperation and operational functioning of colleges	L3	Mar 2012	EC recommendation	H
34.	Definition, identification and reporting of significant risk concentrations	L3	Mar 2012	own initiative	H
35.	Definition, identification and reporting of signification intra-group transactions	L3	Mar 2012	own initiative	H
36.	Reporting for groups: specification of information which must be disclosed and means for the single solvency and financial condition report	L3	Mar 2012	own initiative	H
37.	Supervisory Review Process	L3	Mar 2012	own initiative	H
38.	Prudent person principle for investments	L3	Mar 2012	own initiative	H
39.	Capital add-ons	L3	Mar 2012	EC recommendation	M
40.	Valuation of assets and liabilities other than technical provisions: methods and assumptions	L3	Mar 2012	own initiative	M

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
41.	Ring-fenced funds identification and classification	L3	Mar 2012	own initiative	M
42.	Adjustments to own funds (DTA, participations)	L3	Mar 2012	own initiative	M
43.	Loss absorbing capacity of technical provisions	L3	Mar 2012	own initiative	M
44.	Practical issues on counterparty default risk	L3	Mar 2012	own initiative	M
45.	Practical issues on market risk	L3	Mar 2012	own initiative	M
46.	Practical issues on non-life CAT risk	L3	Mar 2012	own initiative	M
47.	Guidelines on health SCR	L3	Mar 2012	own initiative	M
48.	Policy for changing the internal model	L3	Mar 2012	own initiative	M
49.	Pillar 2 dampeners: specifications on the recovery plan and finance scheme	L3	Mar 2012	own initiative	M
50.	Finite reinsurance	L3	Mar 2012	own initiative	M
51.	Authorisation of special purpose vehicles	L3	Mar 2012	own initiative	M
52.	Allowance for subjecting the ultimate parent at national level undertaking to group supervision	L3	Mar 2012	own initiative	M
53.	Coordination of enforcement measures at group level	L3	Mar 2012	own	M

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
				initiative	
	Equivalence				
54.	CEIOPS - Advice to EC on assessments of Switzerland (art., 227 and 260), Bermuda (art., 227 and 260) and Japan (artr. 172)	advice	Sept 2011	EC	H
55.	Methodology for the assessment of third country equivalence by supervisors	L3	Nov 2011	own initiative	H
	Occupational Pensions				
56.	Advice to the Commission on the review of the IORP Directive. <i>Note: Content and timeline to be confirmed once the CfA is received.</i>	advice		EC	H
57.	Reporting to supervisory authorities: Survey based work with a focus on the analysis of the correlation between reporting requirements and supervisory regimes.	Report	Mar 2011	Own initiative	H
58.	DC focused project: Identification of risks to members of Defined Contribution pension schemes and an analysis of the various risk mitigants in use	Report	Sep 2011	Own initiative	H
59.	Report on Market Developments – 2011 Update	Report	July 2011	Own initiative	H
60.	PRIPS and pensions <i>Note: Content and timeline to be confirmed once the Commission's response to the pensions Green paper consultation is known.</i>	Report		<i>May be EC request or may continue as own</i>	M

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
				<i>initiative</i>	
	Financial Stability				
61.	Monitoring of structural and market developments in the European insurance and occupational pensions sector, and, where relevant, specific risks of entities and products	<p>1. Reporting, where necessary, to other ESAs, ESRB, European Parliament, Council and Commission</p> <p>2. Public Spring and Autumn report on financial conditions and financial stability in European insurance and occupational pensions sectors</p>	<p>1. Permanent activity</p> <p>2. Publications in April and December 2011</p>	EIOPA Regulation	H
62.	Pan-European Stress Test	Report	July 2011	EFC	H
63.	System risk stress test (in cooperation with ESRB)	Report	2011	ESRB in cooperation with EIOPA	H
64.	Establishment of framework for exchange of information (in cooperation with ERSB and other	3L3 Report	Mar 2011	Own initiative	H

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
	ESAs)			together with ECB/ESRB and other ESAs	
65.	Regular assessment and reporting on financial conditions and financial stability in the insurance and occupational pensions sector	Interim Reports	March and September 2011	EFC (for their financial stability table)	H
66.	Monitoring and reporting of contagion risks (in cooperation with banking and securities supervisors)	3L3 Report	March 2011	EFC (for their financial stability table)	H
67.	Development of the first part of EIOPA's database containing historical data collected by CEIOPS - (occupational pension funds, insurance and reinsurance undertakings)	EIOPA Database for its members and where relevant public	July 2011	EIOPA Regulation	M
Consumer Protection/Financial Activities					
68.	Analysis of consumer trends, involving the stakeholders represented at the two Stakeholder Groups	Initial framework document for conducting analysis	Permanent activity (rather than structure)	EIOPA Regulation	M
69.	Review of financial literacy initiatives, including an initial stock taking exercise of national initiatives	Initial framework document	Permanent activity (rather	EIOPA Regulation	M

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
	already in place or planned	scoping process for carrying out systematic review	than structure)		
70.	Development of industry training standards, working with industry in best practices development	Initial framework document for general approach	Permanent activity (rather than structure)	EIOPA Regulation	M
71.	Development of best practices on complaints handling by firms	Follow up to existing work	Ongoing	Own initiative	M
72.	Contribution to common disclosure rules, for example in the area of non-life insurance products	On-going analysis of improvements to disclosure framework for insurance products e.g. formulation of Insurance Disclosure Document	Permanent activity linked to PRIPs/IMD work (below)	EIOPA Regulation	H
73.	Joint Committee Sub-Committee on Packaged Retail Investment Products (PRIPs)	Follow-up to Commission L1 Product Disclosure proposals –	Q3-4 2011	European Commission	H

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
		Reactivate existing 3L3 TF			
74.	Revision of Insurance Mediation Directive (IMD)	Further informal input into Commission's legislative proposal	Up until December 2011	European Commission (<i>ad hoc</i>)	H
75.	Establishment of a Committee on Financial Innovation	Draft Mandate for Committee	Q1 2011	EIOPA Regulation	H (in terms of timing)
76.	Monitoring new/existing financial activities	Initial framework document for general approach	Permanent activity (rather than structure)	EIOPA Regulation	H
77.	Warnings and temporary prohibitions/restrictions on financial activities	Initial framework document – incorporated in setting up of crisis management system (below)	1 st January 2010	EIOPA Regulation	H (in terms of timing)
78.	Insurance Guarantee Schemes	Informal input into Commission's proposed framework for	Up until December 2011	EIOPA Regulation	M (in terms of timing)

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
		EU action on IGS protection for policyholders and beneficiaries			
	Cross-border crisis management and solution and colleges				
79.	Set up of crisis management system	Rules of Procedure	1 st January 2011	EIOPA Regulation	H
80.	EIOPA's staff active participation in College meetings	Kick-off Report	Start Q2 active participation	EIOPA regulation	M
81.	Implementation of common IT tool for exchange of information (for current and future Colleges)	Common IT tool	Mar 2012	Own initiative	M
	Supervisory culture, convergence and cooperation				
82.	Development of training under EIOPA	14 sector seminars 3 cross-sector seminars 2 public events	Ongoing 2011	EIOPA regulation	H
83.	Development of training tools: <ul style="list-style-type: none"> ▪ website-based library ▪ development of case-studies in collaboration with working groups 		Ongoing 2011	Own initiative	M

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
	<ul style="list-style-type: none"> ▪ ad-hoc training upon members' request ▪ repetition of standard seminar upon members' request 				
84.	Promotion of staff exchanges (study visits, secondments)	Enhancement of supervisory culture webpage.	Q1 2011	Own initiative	M
	Supervisory practices				
85.	Review Panel Prioritisation and planning of peer reviews	Note on planning	Q1-Q2 2011	EIOPA Regulation	H
86.	Review Panel Coordination of with other ESAs on peer review methodology and prioritisation	Note on planning	2011	EIOPA Regulation	H
87.	Review Panel start of a new peer review subject to prioritisation	Note on preparatory work	Q3 2011	EIOPA Regulation	H
88.	International Accounting				
89.	Comment letters to IASB and EFRAG	Letters	On going	Own initiate	H
	Governance EIOPA				
90.	ICS 1 - Mission statement	Decision	Jan 2011	EC	
91.	ICS 2 - Ethical and organizational values	Procedure in place	Jun 2011	EC	
92.	ICS 3 - Staff allocation and mobility	Policy in place	Jun 2011	EC	
93.	ICS 4 - Staff evaluation and development	Procedure in	Jun 2011	EC	

Ref	Area of work / description of issue	Deliverable	Timeline	Requested by	Priority
		place			
94.	ICS 5 - Objectives and performance indicators	Document	Jan 2011	EC	
95.	ICS 6 - Risk management procedures	Procedure in place	Dec 2011	EC	
96.	ICS 7 - Operational structures	Procedure in place	Jan 2011	EC	
97.	ICS 8 - Processes and procedures	Procedure in place	Jan 2011	EC	
98.	ICS 9 - Management supervision	Procedure in place	Sep 2011	EC	
99.	ICS 10 - Business continuity	Procedure in place	Sep 2011	EC	
100.	ICS 11 - Document management	Procedure in place	Jan 2011	EC	
101.	ICS 12 - Information and communication policy	Policy in place	Jun 2011	EC	
102.	ICS 13 - Accounting and financial reporting	Procedure in place	Jan 2011	EC	
103.	ICS 14 - Evaluation of activities	Procedure in place	Jun 2011	EC	
104.	ICS 15 - Assessment of internal control standards	Procedure in place	Sep 2011	EC	
105.	ICS 16 - Internal Audit capacity	Audit Charter	Jun 2011	EC	

Appendix II: Draft EIOPA training programme for 2011

Draft EIOPA Training Programme 2011			
Nr.	Sectoral seminars	Duration	Location
1	Financial Stability Issues: lessons learned from the 'National measures' during the crisis <i>(postponed from 2010)</i>	1-2 days	Frankfurt
2	Reporting under Solvency II: implementation challenges and basis for the supervisory review process	2 days	Paris
3	Supervision under Solvency II: ORSA, Risk Assessment Framework and Supervisory review process	2 days	Vilnius
4	Financial analysis and related tools: analysis of financial reports, setting up a stress test	2 days	London (tbc)
5	Technical provisions under Solvency II: how to calculate the best estimate	2 days	Stockholm
6	Internal models approval under SII: case studies – training and convergence of practices	2 days	Helsinki
7	Analysis of costs and benefits of regulation	1 day	Rome
8	Group-wide supervision: capital, risk management, intra-group transactions	2 days	Frankfurt
9	Consumer protection under EIOPA	1 day	Frankfurt
10	Valuation of the balance sheet under Solvency II: practical analysis of differences and commonalities with EEV, MCEV and IFRS in the valuation of assets, liabilities and technical provisions	1-day	Frankfurt
11	Occupational Pensions after Commission Green Paper on Pensions	1-2 days	Brighton
12	(Repetition) Internal models approval under SII: case studies – training and convergence of practices	2 days	Madrid
13	Insurance Group supervision– How to assess equivalence of third country policyholder protection (criteria and methodology)	1-2 days	Frankfurt
14	Solvency II: specific topics in the standard calculation of SCR	2 days	Frankfurt

Nr.	Cross-sector seminars	Duration	Location
15	Risk management	1-2 days	Frankfurt
16	New European regulatory and supervisory structure	2 days	Frankfurt
17	Supervisory Colleges	2 days	Rome (tbc)

Nr.	Public Event	Duration	Location
18	Public Hearing on QIS5: presentations of results (open to the industry)	1 day	Frankfurt
19	EIOPA Conference	1 day	Frankfurt Congress Centre



Appendix III: Draft Joint Committee Work Programme 2011

Nr	Cluster	Topic	Deliverable	Deadline	Status	Priority (1,2,3)	Origin of request	Comment
1	Joint Committee	Micro-prudential analyses of cross-sectoral developments, risks and vulnerabilities for financial stability	Perform cross sector risk assessment and feed into sector work	Q2 2011 and Q4 2011	Planned	1	regular ESA task	
2	Joint Committee	Preparatory work for ESRB meeting for the second Vice Chair position of the Chair of JCESA	Preparing briefings for the ESRB meetings	2011	Planned	1	ESA Regulation	
3	Joint Committee	Financial conglomerates	ESA Guidelines on colleges for financial conglomerates	Q2 2011	In progress	1	FICOD I proposal/ Omnibus I	Recommendations for FICOD discussion in colleges approved by JCFC (September 2010), CEIOPS (November 2010) and CEBS Members approval is currently being sought
4	Joint Committee	Scope, tools, powers	Fundamental review of the FICOD	Start in May 2011	Not started	1	EFCC meeting 11	1 st discussion took place at Level 2 EFCC meeting on 11 th October 2010,

Nr	Cluster	Topic	Deliverable	Deadline	Status	Priority (1,2,3)	Origin of request	Comment
							October 2010	where EFCC agreed to extend to a potential group and /or SIFI directive. Further EFCC discussion in January 2011, with potential CfAs to ESAs in April (targeted) 2011. Timeline for answering CfA tbd.
5	Joint Committee	JC Impact Assessment network	To provide CBA to any consideration /production of TS, guideline, consultation	2011Q4	Started	1	ESA Regulation	Build on 3L3 IA Methodology - I proposed to set up an Impact Assessment Advisory Network that reports into the JC.
6	Joint Committee	Annual Report on Joint Committee's work programme	Publication with the respective annual reports of the Committees	Q1 2011	Planned	1	regular ESA task	Linked to planning of sectoral annual reports.
7	Joint Committee	Common supervisory culture	ESFS training programs delivered	Q4 2011	On going	2	regular ESA task	Propose a Joint Committee Training network, which will supercede the 3L3 Secretariat Training workstream/TF
8	Joint Committee	Packaged Retail Investment Products (PRIPs)	Consideration of L2 measures on product disclosure in light of EC's legislative	TBD	In progress	2	EU COM	EC's legislative proposals on selling practices expected through the Reviews of MiFID and the IMD (draft legislation during 2011), to supplement new

Nr	Cluster	Topic	Deliverable	Deadline	Status	Priority (1,2,3)	Origin of request	Comment
			proposals due to be published Q2 2011					horizontal PRIPs product disclosure measure expected in Q2 2011. Their legal form has not been decided.
9	Joint Committee	AML	Guidance in some areas of supervisory implementation practices in the 3rd EU AML Directive	Q4 2011	In progress	2	ESA initiative	Started in 2010 looking at Beneficial Owners and Simplified Due Diligence. It is proposed to set up a Sub-Committee on Anti Money Laundering shall be established, to assist in supervisory input to measures combating money laundering
10	Joint Committee	AML	Guidance in some areas on AML issues regarding PSD	Q4 2011	In progress	2	ESA initiative	Started in 2010 H2 developing a Home Host protocol for supervisory cooperation surrounding AML supervision of Agents of Payment Services Institutions
11	Joint Committee	AML	May draft regulatory Technical Standards on 3 rd Country equivalence	2014	Not started	2	Omnibus	
12	Joint Committee	AML	Guidance in some areas on AML issues regarding 2nd E money Directive	Q4 2011	Not Started	2	ESA initiative	Topic discussed at AMLTF Meeting in September 2010

Nr	Cluster	Topic	Deliverable	Deadline	Status	Priority (1,2,3)	Origin of request	Comment
13	Joint Committee	Financial conglomerates	Draft a written template for information exchange – re colleges of Financial Conglomerates	Q4 2011	Not started	2	FICOD I proposal / Omnibus 1	Template for written agreements to be based upon EBA template. Could be done in conjunction with item 3
14	Joint Committee	Financial conglomerates	Update and maintain the monitoring template for colleges including all coordinators to ensure a college (whether existing at sector level or not) discusses cross border Financial Conglomerates	Q4 2011	In progress	2	ESA initiative	In 2010 JCFC has been monitoring colleges of FiCos in 2010. Propose to monitor similar to EBA/EBA monitoring. Could be done in conjunction with item 3
15	Joint Committee	Financial conglomerates	ESA may develop Guidelines on Mixed Financial Holding Companies	2014	Not started	3	FICOD I proposal/ Omnibus I	CEBS/CEIOPS proposed in October 2009 advice to EC
16	Joint Committee	Financial conglomerates	ESA may develop	2014	Not started	2	FICOD I proposal/	Not started [Advice previously submitted to

Nr	Cluster	Topic	Deliverable	Deadline	Status	Priority (1,2,3)	Origin of request	Comment
			Guidelines on 3 rd Country Equivalence				Omnibus I	EC in 2008Q1. Strongly linked to sectoral work done
17	Joint Committee	Financial conglomerates	Guidelines/TS on Participations	Q1 2012	In progress	1	ESA initiative/ FICOD I proposal	JCFC established a Working group in 2010 who is drafting guidance on treatment of Participations
18	Joint Committee	Financial conglomerates	Guidelines on Internal Governance/ Pillar 2 under the FICOD	Q4 2012	Not Started	2	FICOD I proposal	Note linkages to Omnibus 1 proposals for TS on reporting
19	Joint Committee	Financial conglomerates	May draft Technical Standards on reporting risk concentrations and intra group transactions	2014	Not Started	2	FICOD I proposal/ Omnibus I	Prioritised by JCFC at its February 2010. Also linked to FICOD I proposal re Pillar 2 guidelines
20	Joint Committee	Financial conglomerates	Guidelines in case of equivalent provisions, which provisions to apply at the level of this mixed financial holding company	Q4 2012	Not Started	3	FICOD I proposal	3 years after application of these guidelines work towards issuing BTS

Nr	Cluster	Topic	Deliverable	Deadline	Status	Priority (1,2,3)	Origin of request	Comment
21	Joint Committee	Financial conglomerates	Guidelines on waiver of supervision under the FICOD	Q4 2012	Not Started	2	FICOD I proposal	Could be linked to item 3
22	Joint Committee	Financial conglomerates	May draft Technical Standards on methods of calculating capital at FiCo level	2014	Not started	2	Omnibus I	Also linked with Basel work and reflection of that in CRD IV – treatment of insurance participations/subsidiaries
23	Joint Committee	Notification conglomerates	Annual notification of list of Financial Conglomerates	Q2 2011	Planned	1	Conform Current practice > legal obligation Omnibus 1	submitted and published June 2010
24	Joint Committee	Financial conglomerates	Financial Conglomerates to have a resolution plan	Q4 2011	Not started	2	Planned in Omnibus 1	
25	Joint Committee	Financial conglomerates	Training of supervisors of Financial conglomerates	Q1 2011	started	1	regular ESA task	Topic is known and a seminar is planned for second half March 2011
26	Joint Committee	Regulatory arbitrage in own funds	Comparison of CRD/SII regulation on own funds including recommendations for	Q2 2011	started	1	Own initiative ESAs	As a starting point CEIOPS paper comparing CRDIV/SII own funds November 2010

Nr	Cluster	Topic	Deliverable	Deadline	Status	Priority (1,2,3)	Origin of request	Comment
			alignments					
27	Joint Committee	Non cooperative jurisdictions	1) Annual report on non cooperative jurisdictions 2) Database to record members updates	Q3 2011	Planned	3	EFC	EFC September 2010 confirmed the continuation of this request under the ESAs
28	Joint Committee	Passporting	Up-to-date contact lists on passporting as indicated in guidelines	Q4 2009 - Q4 2010	On going	3	ESA initiative	
29	Joint Committee	Internal Governance	Consideration of EC measure proposed further to its Green [or is it White Paper] on Corporate Governance	TBD	Not started	2	EU COM	Could work on issues further to 2009 work comparing MiFID, CRD and SII Could work on issues in EC's Papers on Corporate Governance and Audit? Could propose establishment of a new Sub Committee on Internal Governance of the JC to look at this