
65TH MANAGEMENT BOARD MEETING VIA VIDEOCONFERENCE

DATE: 12 SEPTEMBER 2022 10:00-12:00

LOCATION: VIDEOCONFERENCE

FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE ACTING CHAIRPERSON

1. The Chairperson welcomed the attendees to the 65th meeting of EIOPA's Management Board (MB).

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

2. The MB adopted the agenda by consensus.

CONCLUSIONS AND ACTION POINTS

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

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

UPDATES BY THE CHAIRPERSON

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

MEMBERSHIP UPDATES

5. The first term of Ms Else BoS as Member of EIOPA's MB will expire on 30 September 2022. A call for expression of interest for the replacement of one MB Member. Potential candidates were expected to submit their application by 17 August 2022. The election process will take place at the September Board of Supervisors (BoS) meeting.

FINAL MINUTES

- Members were informed on the appointment of Mr. Ludger Hanenberg, Director-General Insurance Policy directorate at the Federal Financial Supervisory Authority (BaFin), as alternate to Mr. Frank Grund at the EIOPA's MB and BoS following the stepping down from this capacity of Mr. Thomas Schmitz-Lippert.

EUROFI

- The event took place from 7 to 9 September 2022 in Prague. The Chairperson and the Executive Director (ED) attended. Special interest shown towards the topic of the cost of living prices and discussion revolving around topics concerned: i) Challenges from the Russia-Ukraine War and post-COVID Economic Context; ii) Financial Stability Challenges and Vulnerabilities; iii) Banking and Insurance Regulation Priorities; iv) The EU and Global Stability Agenda for Finance; v) CMU Next Steps and Challenges; vi) Digitalisation and Payments.
- For the financial sector, particularly for the insurance the object of discussion was on the increase of damages resulting from the physical risks combined with inflation.

ECONOMIC AND FINANCIAL COMMITTEE - FINANCIAL STABILITY TABLE

- The Economic and Financial Committee (EFC)-Financial Stability Table (FST) took place on 1 September. Presentations were given by EIOPA (on behalf of the ESAs), the European Systemic Risk Board (ESRB), the European Central Bank (ECB) and the COM. Discussions covered the overall outlook in the market, the impact and the challenges of rising inflation and lower growth potential amid high uncertainty in the current geopolitical environment. Other risks mentioned include commodity, climate-related and cyber risks. Concerns are increasing around energy markets but EFC members and FST guests concurred that attention should be paid not to shift risks from the energy sector to the financial sector.
- EIOPA has, through its Risk and Financial Stability Committee (RFSC), taken the lead in facilitating and coordinating actions to deal with the current adverse developments.

THE INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

- EIOPA is closely working with the IAIS on the Insurance Capital Standard (ICS) comparability assessment, the intention being to get the comparability study approved by the end of the year

RECURRING UPDATE ON STAKEHOLDER GROUPS (SHG) MEETINGS

- The Occupational Pensions Stakeholder Group (OPSG) met on 31 May 2022. The members discussed, among others: i) Pensions data; ii) Best Practices for Defined Contribution (DC) Pensions; iii) Proportionality; iv) Sustainable Finance; v) IORP II Review, Diversity, and Inclusion in Pensions and vi) EIOPA's update on retail related work.
- The Insurance and Reinsurance Stakeholder Group (IRSG) met on 28 June 2022. The agenda focused on, among others: i) Securitisation; ii) SFCR; iii) Proportionality; iv) Own-initiative report (e.g., advice on European database on access to insurance by SMEs); v) Addressing the protection gap (in Joint format with BoS); vi) Discussion on value for money (in Joint format with BoS)

RISK DIFFERENTIALS FOR SUSTAINABILITY CAPITAL REQUIREMENTS

14. In the context of the COM proposal to introduce the adjustment factors in Pillar 1 framework, assessing climate-related risk differentials, EIOPA decided to focus on robustness of the data provided by the financial institutions and agreement on the methodology before going further.

TREATMENT OF THE INSURANCE PARTICIPATION OF BANKS (THE DANISH COMPROMISE)

15. Discussions in Brussels are taking place with possible direction of travelling. EIOPA will look into the subject and prepare a note explaining the issue and the implications.

UPDATES BY THE EXECUTIVE DIRECTOR (ED)

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

FINANCIAL SERVICES COMMITTEE

17. The Financial Services Committee (FSC) held meetings on 15 June 2022 and 13 July 2022. At the June meeting, the FSC discussed the COM's Report on the operation of the European Supervisory Authorities (ESAs) and had its quarterly discussion on financial risks, with presentations from the ESAs, the ECB and the ESRB. EIOPA presented its supervisory convergence work. In July, the FSC was briefed on the Czech Presidency's priorities for their semester.

DG REFORM

18. The Service Level Agreement on EU Supervisory Digital Finance Academy was signed. The launch event will take place in Florence on 24 October.

EU AGENCIES NETWORK – EIOPA CHAIR

19. EIOPA will chair the EU Agencies Network from March 2023 to February 2024, and will be part of the TROIKA in 2022 (as incoming agency) until 2024 (as outgoing agency). This network is comprised of the 39 decentralised Agencies and 9 Joint Undertakings. It provides a forum for coordination, information exchange and agreement of common positions on important horizontal matters such as budget, accounting, HR, IT/Security, legal, performance development, communication, etc.

BUDGET

20. A written procedure for the EIOPA budget 2022 amendment was launched in August to address the DORA and DG Reform developments. The amendment also reflects the budget transfer needed for the remaining of 2022, addressing excesses and deficits in the budget lines mainly for salaries, IT projects and office rental expenses (which have increased due to the indexation following inflation increase).

HR - RECRUITMENT

FINAL MINUTES

21. A vacancy notice for the recruitment of the Head of Consumer Protection Department was published. Potential candidates were invited to submit their candidatures by 15 August. EIOPA is currently processing and assessing the submitted applications.

UPDATE BY THE EUROPEAN COMMISSION (COM)

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

SOLVENCY II

23. The Council adopted the general approach on 17 June 2022. The EU Parliament rapporteur presented its initial draft report on 30 June. Approximately six hundred amendments were put forward by the different political parties. A first discussion took place on 31 August 2022.
24. The finalisation in Parliament is scheduled towards the end of 2022 and a first trialogue is planned under the Swedish Council Presidency.
25. In reference to EIOPA's mandate on sustainability, COM is confident that this will stay.

IMPLEMENTING TECHNICAL STANDARDS (ITS) ON SUPERVISORY REPORTING DISCLOSURE.

26. EIOPA submitted to COM the draft amendments of regulations (Implementing Technical Standards - ITS) back in March of this year. The draft amendments are laying down supervisory reporting and disclosure requirements under Solvency II. Due to the delays in the translation process publication is expected only in March 2023.

RETAIL INVESTMENT STRATEGY

27. Impact assessment is expected to be done in December 2022.
28. Work is ongoing, proposals (likely as an omnibus directive) are expected to be put forward in Q1 of 2023.

SUSTAINABILITY

29. EU Taxonomy Regulation: The EP did not object to the Commission's Taxonomy Delegated Act to include specific nuclear and gas energy activities. the Taxonomy Delegated Act will enter into force and apply as of 1 January 2023.
30. The corporate sustainability reporting directive (CSRD): The Council and EP reached a political agreement on 21 June 2022. The application of the regulation will take place in three stages: i) 1 January 2024 for companies already subject to the non-financial reporting directive; ii) 1 January 2025 for large companies that are not presently subject to the non-financial reporting directive; iii) 1 January 2026 for listed SMEs, small and non-complex credit institutions and captive insurance undertakings.
31. Level 2 on Solvency II and Insurance Distribution Directive (IDD): The sustainability related amendments to the delegated acts came into force on 2 August 2022.

CLIMATE RESILIENCE DIALOGUE

32. COM is working closely with DG CLIMATE and the project is expected to be launched in October 2022.

ARTIFICIAL INTELLIGENCE ACT

33. The Council draft compromise text is in line with the COM initial proposal, meaning the non-inclusion of the insurance in the high-risk application. Council and EP still have to adopt their negotiation positions.

DIGITAL OPERATIONAL RESILIENCE ACT (DORA)

34. Following the political agreement reached on 10 May, on the 28 of June the Council endorsed it and the EP confirmed on 13 July. Works are ongoing at technical level to finalise the legal text which are expected to conclude by 20 October 2022. Plenary vote in EP is expected in November 2022 and publication in February 2023.

EUROPEAN CRYPTO-ASSETS REGULATION (MICA)

35. A provisional agreement was reached on 30 June 2022. Technical discussions on the text continue in July and September.

INITIATIVE ON THE RIGHT TO BE FORGOTTEN

36. This initiative is part of the Europe's Beating Cancer Plan with DG SANTE in the lead. COM is in the process of launching a tender for contracting a provider to deliver the research and the organization of negotiations on the code of conduct for the right to be forgotten. The tender is expected to be launched in Q4 of 2022.
37. Parallel developments are taking place in the context of the Consumer Credit Directive. Trilogues between Council and EP are presently taking place. The EP put forward amendments to the CCD to establish a legal right to be forgotten which will apply to insurance products. COM will follow closely the matter.

EU - US COVERED AGREEMENT

38. United States and European Union held the Fifth Joint Committee Meeting under the Bilateral Agreement on Prudential Measures regarding Insurance and Reinsurance on 14 July 2022. Both the US and EU provided updates regarding the implementation of the Agreement on reinsurance, group supervision and exchange of information and announced that progress was made toward full implementation of the Agreement. The implementation and full applicability expected for September 2022.

INSURANCE RECOVERY AND RESOLUTION DIRECTIVE

39. COM informed that the current political intentions still indicate that the adoption of the IRRD will coincide with the review of the Solvency II Directive.

BREACH OF UNION LAW

40. In regards to the recommendation to the Národná banka Slovenska (NBS) which was issued by EIOPA in May 2022, COM has launched a process to adopt a formal opinion in line with the EIOPA Regulation.

DECISION

41. Not applicable.

CONCLUSIONS AND ACTION POINTS

42. Not applicable.

AGENDA ITEM 3: DRAFT EIOPA STRATEGY 2023-2026

43. The Chairperson introduced the draft EIOPA strategy 2023-2026. The renewed strategy is based on EIOPA's existing mandate, which serves the fundamental purpose of contributing to the recovery of the EU economy by building more resilient insurance and pensions sectors and further strengthening a common supervisory culture in an environment characterised by evolving risks and challenges. It includes revised vision and mission statements. The Strategic objectives and the strategic priorities have been adjusted as well. The strategy will become the basis of all of the Authority's planning activities and will guide revisions of other strategies we have developed so far, such as for the digital area.
44. Proposals for improvement were made, notably related to the level of concreteness of the strategy document and to the formulation of certain strategic priorities.

DECISION

45. MB approved, by consensus, the draft EIOPA strategy 2023-2026 (EIOPA-MB-22-085) for submission to the BoS for adoption.

CONCLUSIONS AND ACTION POINTS

46. MB welcomed the draft EIOPA strategy 2023-2026 and made some proposals for improvement.
47. EIOPA to integrate the feedback from the MB into draft EIOPA strategy 2023-2026 and submit the revised document to the September BoS meeting for adoption.

AGENDA ITEM 4: REVISED SINGLE PROGRAMMING DOCUMENT 2023-2025

48. The ED introduced the revised Single Programming Document (SPD) 2023-2025. The Authority has taken the opportunity to update the previous version of the SPD to include adjustments to the new strategy, macroeconomic and legislative developments, improvements to the KPIs and include a more comprehensive list of negative priorities. Further changes concern the addition of specific deliverables and clarification in its Annual Work Programme (AWP) 2023, a

FINAL MINUTES

comprehensive list of operational priorities, as well as changes to the draft budget 2023 to include the signature of new administrative agreements and the Commission's request for salary adjustments.

49. Some proposals for improvements were suggested, notably the MB advised to align the text related to the work of the review of the Solvency II Directive including the Recovery and Resolution Directive (IRRD) and the planned retail investment strategy, including the review of the PRIIPs Regulation to showcase the updated timelines and scope of the legislative processes.

DECISION

50. The MB approved by simple majority the revised Single Programming Document (SPD) 2023-2025 (EIOPA-MB-22/083) for submission to the BoS meeting for adoption.

CONCLUSIONS AND ACTION POINTS

51. MB welcomed the SPD 2023-2025 and made some proposals for improvement.
52. EIOPA to integrate the feedback from the MB into the SPD 2023-2025 and submit the revised document to the September BoS meeting for adoption.

AGENDA ITEM 5: DRAFT SINGLE PROGRAMMING DOCUMENT 2024-2026, 1ST ITERATION

53. The ED presented the first iteration of the SPD 2024-2026. The document further builds on the SPD 2023-2025 and reflects EIOPA's renewed strategy. The MB had no further comments to strategic direction for the period 2024-2026.

DECISION

54. Not applicable.

CONCLUSIONS AND ACTION POINTS

55. MB welcomed the first iteration of the 'draft SPD 2024-2026 (EIOPA-MB-22-084)'.
56. EIOPA to submit the draft SPD 2024-2026 to the September BoS meeting for discussion.

AGENDA ITEM 6: QCC REVIEW 'LESSONS LEARNT FROM COOPERATION AND INTERACTION BETWEEN EIOPA AND NCAS DURING COVID-19 PANDEMIC': FINAL REPORT

57. The QCC Chair presented the final report "Lessons learnt from cooperation and interaction between EIOPA and NCAs during COVID-19 pandemic". The current version of the report was finalised by the QCC and reflects the feedback received from the MB and BoS.
58. Overall, the MB welcomed the report and elaborated on how to further communicate the main outcome of the report and future actions to address the recommendations.

FINAL MINUTES

DECISION

59. The MB adopted, by consensus, the QCC report on the 'Lessons learned from the cooperation and interaction between EIOPA and NCAs during Covid 19 pandemic (EIOPA-MB-22-85)'.

CONCLUSIONS AND ACTION POINTS

60. QCC to share the final report with the BoS members for information.
61. EIOPA, with the support for the QCC, to consider an approach for sharing more widely the outcome of the report and the actions going forward.

AGENDA ITEM 7: AOB

62. The Chairperson informed the MB that the October meeting is cancelled and that the next meeting will be in November, which is an in-person meeting, taking place in Frankfurt am Main.

DECISION

63. Not applicable.

CONCLUSIONS AND ACTION POINTS

64. Not applicable.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 09.06.2022 TO 12.09.2022

MB-2022-06

65. Decision adopting, by consensus, the HR Implementing rule on education allowance for temporary assignment in third countries.

MB-2022-08

66. Decision adopting, by consensus, the Minutes of the 64th Management Board Meeting.

MB-2022-09

67. Decision adopting, by consensus, the Amendments to the MB Rules of Procedure.

MB-2022-10

68. Decision adopting, by consensus, the non-application of Commission Decision C(2022)1788 on working time and hybrid working.

MB-2022-11

69. Decision adopting, by simple majority voting, the decision on working time and hybrid working.

Participants at the Management Board's meeting via videoconference

12 September 2022

Chairperson: Petra Hielkema

Vice-Chairperson: Peter Braumüller

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

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

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum
Head of Corporate Support Department	Danny Janssen