Since you published the work plan, have you been able to get any visibility over what your priorities will be in 2024?

From a regulatory perspective is clear that Solvency II and IRRD will be high on our agenda. The deeper we go into the Solvency II and IRRD negotiations, the more it seems the conclusion will be reached in February 2024. This means that in 2024 and 2025, we'll be focusing on implementation.

For Solvency II, for example, from what we hear from the trialogue, we will work on 22 new instruments such as technical standards and guidelines.

We will also need to review some of the existing guidelines and we to issue some new ones.

On IRRD, preparatory work is underway and to give you an idea of the impact on our work plan, it is significant. Depending on the final text in the council and parliament, we will have a more precise assessment.

We are foreseeing some of this impacting EIOPA's work plan. On top, we are already doing the work on DORA and we need to start overseeing the critical third party providers from January 2025. This means that next year it's not only about finalising the preparatory work but also starting to prepare how we will concretely supervise new entities.

How do you react to suggestions that EIOPA's proposals for third-country reinsurance supervision could create barriers to UK and other third country reinsurers doing business in the EU market?

We have been publicly consulting on a supervisory statement. This is a tool where we basically clarify to the market, to the wider audience what we can expect when we as supervisor, look at some risks.

When it comes to [possible] additional barriers, my answer would be no, it's not that we are creating anything in terms of additional requirements or additional barriers. We are trying to harmonise and to converge, in terms of supervision.

The UK has a system in place where we know the regime but there are other countries where the solvency system is not so well known by the supervisory community in Europe. In that case we want to be sure that we all try to manage possible risk in the same way. And how we do this? By stating publicly what we can expect in terms of supervisory challenges.

So, we set some expectations in terms of insurance risk management, how insurers need to manage the risk coming from a third country and what they need to look at when assessing the reinsurance contract itself.

It's a way to respond to some concerns and concrete cases that our national authorities encountered during their normal activity.

We have been seeing cases of abusive clauses in contracts, some [cases of] up and down ratings of a third country reinsurer without clear understanding of why the rating of this specific reinsurer was, from one day to another, downgraded and so on.

So, there were cases behind each and every statement in the document.

In our consultation we received around 300 comments from 22 stakeholders and there were some concerns from European reinsurers. We are also aware of some concerns from US reinsurers but there is no intention to put the EU-US covered agreement under discussion.

We are now analysing all comments and we will come up with the final view soon.

What I can already say is that it is not our intention to create additional requirements and barriers. We know that UK reinsurers are quite active in the European market, we know that reinsurance is a global market. We want to keep it as it is, it's simply that we need to harmonise how the supervisory authorities in different countries look at those things.

How do you see the threat of lapse risk in the EU at this time?

Lapse risk is moderately increasing and it depends a lot on the type of product, characteristics of the products and distribution channels in different countries. For example,. Policyholders would be more prone to lapse the products with no or low surrender penalties. After the [Covid] crisis the major concern is what is happening now in the economy, I'm talking about e inflation, which also can trigger lapse risk, the fact that people may want to surrender the product because they don't have money any longer to pay the premium. This is because of the economic situation and this is the issue for us. In our Eurobarometer survey that we did 13% of people said that they did not buy or renew their savings or investment contracts because of cost of living.

Since 2020 we are seeing a moderate increase there, from 3% to 3.8% of technical provisions.

How are you seeing the current geopolitical tensions permeate into the European insurance sector?

The impact comes from the indirect effect of the economic situation, but perhaps Europe needs to look at its own competitiveness to regain a bit of autonomy because the geopolitical risk is there.

We [Europe] need to rethink our strategy. We are strong enough, but maybe compared to the past some changes are needed. When it comes to insurance and pensions, the sectors are robust, we have strong players and it's important that we ensure competitiveness of these players across the new geopolitical situation.

When I think about how we sometimes take time to really ensure that we have a single market which follows the same rules. For us competitiveness is more than the level of capital requirements. Regulation and supervision should aim for sustainable competitiveness that relies on fair pricing and credible risk assessment, to build resilience and trust. A good regulatory framework, applied consistently, improves competitiveness and fosters trust.

Think about the Insurance Distribution Directive, the IORP directive for example. And sometimes it takes too much time to realise that we need more harmonised rules, we need a single market which is truly single - with the same rule applied, with people protected at the same level wherever they buy the product. These are things that I think sometimes we would need to speed up.