

Joint Board of Supervisors (BoS) and Insurance and Reinsurance Stakeholder Group (IRSG) meeting and IRSG meeting

DATE: 28 June 2022

TIME: 10:00 – 15:30

LOCATION: EIOPA PREMISES, FRANKFURT AM MAIN

MEETING CONCLUSIONS

IRSG-ONLY MEETING

AGENDA ITEM 1: APPROVAL OF THE AGENDA

1. On behalf of the IRSG Chairperson, who short notice could only attend online, IRSG member Gisella Van Vollenhoven welcomed the members on-site to the 11th IRSG meeting.

CONCLUSIONS AND ACTION POINTS

2. The draft agenda (EIOPA-IRSG-22-04) was adopted.

AGENDA ITEM 2: UPDATE BY IRSG CHAIRPERSON

3. IRSG Chairperson informed the group about upcoming deadlines and deliverables.

CONCLUSIONS AND ACTION POINTS

4. n.a.

AGENDA ITEM 3: UPDATE BY EIOPA

5. EIOPA's Chairperson provided an update to the group on:
Access to health data – Right to be forgotten – Exemptions

As also mentioned during the introductory remarks at EIOPA's annual conference 2022 (see [here](#)) cancer survivors reportedly face obstacles to gain access to essential financial services (e.g. higher premiums, denied coverage). The "right to be forgotten" is a right for all EU citizens and is enshrined in the GDPR (article 17) and some Member States passed legislation to enable them to get fair and affordable access to health and life insurance. Even if insurance plays a very important role in our society by e.g. improving consumers' financial health, insurers also have a corporate social responsibility to use data in a fair way. This is also highlighted in the [report](#) from EIOPA's Consultative Expert Group on Digital Ethics in insurance.

6. Institutional relations

On 23 May 2022 the European Commission published its [report on the operation of the European Supervisory Authorities](#). Regarding the Solvency II Review, EIOPA interacted with the European Institutions regarding targeted adjustments in the interest of consumer protection. The Council of the European Union published on 17 June its [position](#) (general approach) on the amendments to the Directive.

CONCLUSIONS AND ACTION POINTS

7. IRSG to take note of EIOPA's public consultations: [on the supervisory statement on exclusions in insurance products related to risks arising from systemic events](#) and [on the Supervisory statement on management of non-affirmative cyber underwriting exposures](#)

AGENDA ITEM 4: EIOPA'S FEEDBACK ON IRSG ADVICE DELIVERED

8. EIOPA staff outlined its feedback on the IRSG Advice on PRIIPs, as well as [EIOPA's feedback on IRSG Advice on Blockchain and smart contracts](#), and [EIOPA's feedback on IRSG Advice on Retail Investment Strategy](#)

CONCLUSIONS AND ACTION POINTS

9. EIOPA to provide its feedback on 25 October 2022 regarding the IRSG advice on Consumer Trends, and IRSG Advice on the Application guidance on climate change risk scenarios in the ORSA.

AGENDA ITEM 5: CALL FOR ADVICE TO THE ESAS ON SECURITISATION

10. EIOPA described the content of its [public consultation](#) including background: EIOPA was asked to (1) report on the investment behaviour of insurance undertakings regarding securitization, (2) to assess the calibration for the capital requirements for spread risk on securitization, and (3) to analyse the possibilities for more risk sensitivity and consistency with CRR (banking).

CONCLUSIONS AND ACTION POINTS

11. EIOPA to take on board comments received from IRSG members during this meeting.

AGENDA ITEM 6: IRSG OWN-INITIATIVE ADVICE ON EUROPEAN DATABASE ON ACCESS TO INSURANCE BY SMES

12. Nikos Daskalakis presented a draft report on European Database that emphasised the importance of access to insurance for SMEs and the need to have access to insurance data on levels of access to insurance.
13. There was a common understanding that collecting data on SMEs access to insurance on a pan-European level will be a challenging endeavour. Such data collection exercise should reflect the complexity of the insurance sector, capturing e.g. qualitative features. Therefore, a design-in-stages approach could be considered. For example, an initial mapping exercise may explore the differences across countries and to assess the right level of categorisation of products.
14. EIOPA supported the work presented and highlighted some close links to its own work on protection gaps. Regarding the mapping exercise, EIOPA stressed the importance of first understanding the purpose and then using existing information (non-life product categorisation).

CONCLUSIONS AND ACTION POINTS

15. EIOPA to further engage with IRSG members to gather information on product categorization. EIOPA will consider further potential actions within its mandate.
16. Nikos Daskalakis to resubmit his report for IRSG approval based on comments received.

AGENDA ITEM 7: SOLVENCY AND FINANCIAL CONDITION REPORT (SFCR)

17. Guillaume Prache presented his work on SFCR and related publications from Better Finance. He outlined possible solutions to inform policyholders about risks that their insurer actually takes. As regards profit-sharing reserves going into the insurers' own funds, he firmly questioned whether consumers would benefit from them i.e. receive the money back.
18. Members welcomed the presentation. Some members expressed concerns over drawing conclusions from a partial (e.g. backward looking) analysis and also with respect to statement in the presentation on surplus funds or long-term guarantees measures.
19. EIOPA highlighted that a simplified version of the SFCR for policyholders has been proposed under the review of the Solvency II Directive.

CONCLUSIONS AND ACTION POINTS

20. n.a.

AGENDA ITEM 8: PROPORTIONALITY

21. EIOPA staff updated the IRSG on ongoing discussions in the Advisory Committee on Proportionality (ACP) e.g. on the:
 - a. Draft ACP advice 2023 based on EIOPA's Annual Work Programme: ACP advice will include Diversity and Inclusion and IORPs' role in the new sustainability strategy. Topic on Recovery and Resolution is proposed to be dropped;
 - b. Work on proportionate Conduct of Business supervision has slowed down, with IORPs-related work to be deprioritised. Tentatively the focus will be on IDD and POG;
 - c. On-going discussions on a Joint Advice from the ESAs ACPs with potential topic: DORA.

CONCLUSIONS AND ACTION POINTS

22. n.a.

AGENDA ITEM 9: ELECTION IRSG CHAIRPERSON/VICE CHAIRPERSON

23. EIOPA's Executive Director presented the legal framework ([Article 37](#)) for the mid-term elections of the IRSG Chairperson and Vice Chairperson.

CONCLUSIONS AND ACTION POINTS

24. IRSG members elected by consensus Paul Fox as new IRSG Chairperson and Michaela Koller as Vice-Chairperson, with effect as of 21 July 2022.

AGENDA ITEM 10: ANY OTHER BUSINESS (AOB)

25. Members suggested further topics for discussion.

CONCLUSIONS AND ACTION POINTS

26. Topics to be considered for the agenda of the next IRSG meeting in October: inflation, data intelligence report, FERMA's work on cyber insurance (Project LUCY), OECD's work on insurance as an alternative to fiscal support in crisis response.

JOINT EIOPA BoS / IRSG Members' meeting

AGENDA ITEM A: ADDRESSING THE PROTECTION GAP

27. BoS and IRSG Members engaged in an open discussion on the role of data on climate and cyber risks for (re)insurers and for the supervisory community. Participants recognised how useful access to data is: to improve risk assessment and support insurability of climate and cyber risks. Paradoxically, it was argued that a better understanding of the risks makes them more predictable, and more difficult to insure in some cases.

28. Given differences between climate and cyber risk analysis, data collection should consider different perspectives: of the insured (to understand needs and difficulties in finding coverage), of the intermediaries (lack of information) and users (e.g. academia, regulators).

29. Industry is currently discussing competition law issues in relation to the exchange of climate-change related data and goals. It was noted that in the past the Block Exemption regulations helped for the exchange of information among companies. Market actors might also lose some competitive advantage by sharing data.

CONCLUSIONS AND ACTION POINTS

30. Participants acknowledged the contribution the supervisory community can make in supporting data collection and sharing. On climate, data sharing in a public-private context could be stepped up, with COM and EIOPA's support, possibly in an open-source data architecture. For cyber risk, data and architecture challenges may be larger due to modelling challenges, rapid developments of the risk or issues related to data security. The collection of comparable cyber breach data could be pursued in a first instance.

AGENDA ITEM B: DISCUSSION ON VALUE FOR MONEY (VFM)

31. BoS and IRSG Members engaged in an open discussion on the evolution of the concept of value for money in light of sustainability aspects and beyond the risk-return “binary” approach. While participants agreed that there should not be trade-offs between returns and sustainability objectives, members highlighted challenges and risks.
32. Main challenges include (i) finding solutions to address the issues of climate change to leverage on progresses made so far on the Sustainable Finance agenda; (ii) Going beyond financial returns, especially when performance is low; (iii) Lack of transition related aspects in the framework, with assets/products being either aligned or not.
33. When it comes to risk, participants highlighted (i) greenwashing as well as (ii) unreliable data especially beyond climate related aspects, making it difficult to assess the sustainability of certain assets/products.
34. The fact that consumers increasingly expect more sustainable products and that performance of products with sustainability features currently perform better than the other products were seen as real opportunities.

CONCLUSIONS AND ACTION POINTS

35. Participants put forward the following solutions: (i) guidance from EIOPA in the short and medium term to ensure “VFM” is well implemented and further developed e.g. concept of sustainability. (ii) co-operation with ESMA on ESG ratings to avoid the proliferation of labels, ratings, etc. (iii) work on consumer education and also education at the point of sale to improve transparency (on what is sustainable or not) and to avoid reputational risks.

AGENDA ITEM C: ANY OTHER BUSINESS (AOB)

36. n.a

CONCLUSIONS AND ACTION POINTS

37. n.a.

Participants

IRSG

Chairperson: Michaela Koller, Vice Chairperson: Paul Fox

First Name	Last Name	Country	Member representing	Attendance
Mireille	Aubry	France	Industry	Present
Pauline	Azzopardi	Malta	Consumers & Users	Present
Typhaine	Beaupérin	Belgium/France	Professional associations	Present
Monica	Calu	Romania	Consumers & Users	Present
Desislav	Danov	Bulgaria	Consumers & Users	Present
Niko		Greece	SMEs	Present
Claudia	Donzelmann	Germany	Industry	Present
Paul	Fox	UK	Consumers & Users	Present
Hugh	Francis	UK	Industry	Present
Liisa	Halme	Finland	Employees	Present
Liane	Hirner	Austria	Industry	Present
Benoît	Hugonin	France	Industry	Present
Marcin	Kawiński	Poland	Academics	Present
Michaela	Koller	Germany	Industry	Present
Xavier	Larnaudie Eiffel	France	Industry	Present
Pierpaolo	Marano	Italy	Academics	Present
Stefan	Materne	Germany	Academics	Present
Anthony	O'Riordan	Ireland	Professional associations	Absent
Tomas	Paulauskas	Lithuania	Consumers & Users	Present
Juan - Ramón	Plá	Spain	Industry	Present
Patricia	Plas	Belgium	Industry	Present
Guillaume	Prache	France/Belgium	Consumers & Users	Present
Tito	Rodrigues	Portugal	Consumers & Users	Present
Galit	Saar	Sweden	Industry	Present
Lauri	Saraste	Finland	Industry	Present
Bruno	Scaroni	Italy	Industry	Present
Martin	Schmalzried	Czech Republic	Consumers & Users	Present
Antti	Talonen	Finland	Academics	Present
Greg	Van Elsen	Belgium	Consumers & Users	Absent
Gisella	van Vollenhoven	Netherlands	Industry	Present

Other participants:

EIOPA's Senior Management and staff members, Members of [EIOPA's Board of Supervisors](#) and European Commission representative (afternoon-only)

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