



eiopa

European Insurance and
Occupational Pensions Authority

IN BRIEF

SINGLE PROGRAMMING DOCUMENT 2019 - 2021

The European Insurance and Occupational Pensions Authority (EIOPA) is a decentralised agency of the European Union (EU) working to strengthen the financial stability of the insurance and pension sectors in Europe, for the benefit of economies, business and people. EIOPA's main tasks are to enhance supervisory convergence, strengthen consumer protection and preserve financial stability.

EIOPA's Single Programming Document 2019 – 2021 sets out the Authority's strategy and work programmes for the coming years. The document is the result of a rigorous process that takes into account the evolving political landscape, economic outlook and innovations in the insurance and pension sectors. Certain factors, such as proposed changes to the Authority's mandate, outlined in the European Commission's review of the European Supervisory Authorities and possible uncertainties stemming from the United Kingdom's decision to leave the European Union have been taken into consideration. Throughout the period, the Authority will remain alert and responsive to changing priorities.

The Authority's success in delivering its annual programme of activities is dependent on close cooperation with stakeholders, in particular national competent authorities, and European institutions. Every year, the European Parliament and European Council approve EIOPA's Single Programming Document and budget. The Chairman and Executive Director of EIOPA also regularly report on achievements to the European Parliament.

In 2019, EIOPA will work on different activities in support of its four strategic priorities. It will also continue to work on two cross-cutting themes that are of growing importance and related to all priorities.

MISSION

EIOPA's mission is to protect the public interest by contributing to the short, medium and long-term stability and effectiveness of the financial system for the benefit of the European Union's economy, its citizens and businesses.

This mission is pursued by promoting a sound regulatory framework and consistent supervisory practices in order to protect the rights of policyholders, pension scheme members and beneficiaries and to contribute to public confidence in the EU's insurance and pensions sectors.

+ LEARN MORE

- › Visit our website:
<https://eiopa.europa.eu>
- › Read the Single Programming Document:
<https://eiopa.europa.eu/about-eiopa/work-programme>

CROSS-CUTTING THEME: SUSTAINABLE FINANCE

EIOPA will put sustainability as a central theme in its strategic thinking and examine how best to include sustainability considerations in supervisory and regulatory frameworks. Financial supervision of insurers and pension funds should pay increasing regard to sustainability.

The sustainable finance action plan comprises projects in eight areas in both insurance and pensions,

covering prudential, consumer protection, and financial stability issues. EIOPA also plays a role in the implementation of the European Commission's Action Plan on Sustainable Finance.

STRATEGIC OBJECTIVES

1 Driving forward conduct of business regulation and supervision

To strengthen consumer protection and to maintain a level playing field, EIOPA will focus on strengthening conduct of business supervision to address existing fragmented approaches. For 2019, EIOPA has identified a number of priorities.

- › The completion of a European single rulebook to support supervisory convergence through a harmonised set of rules.

- › A holistic approach to monitoring risks underpinned by a strengthened methodology for monitoring conduct of business risks.
- › The alignment of supervisory practices to ensure effective and efficient conduct of business supervision.

AREAS OF ACTION

1.1. Developing and strengthening the regulatory framework for the protection of consumers

1.2. Developing and strengthening a comprehensive risk-based and preventive framework for appropriate conduct of business supervision

2 Leading convergence towards high-quality prudential supervision throughout the EU

A consistent approach to supervision is essential to ensure a level playing field for business and similar levels of protection for people no matter where they are in Europe. EIOPA supports national supervisors to apply a common approach to supervision through different tools including guidelines, opinions. EIOPA also facilitates the sharing of good practice and training.

- › Further development and eventual authorisation of the Pan-European Personal Pension Product (PEPP).
- › Enhancing the quality of prudential and financial stability data on insurance and pensions.
- › Building and enhancing a common supervisory culture and consistent supervisory practices.

AREAS OF ACTION

2.1: Enabling supervisory convergence with a sound, smart and robust regulatory framework which is responsive to market developments

2.2. Enhancing the use and quality of supervisory information through efficient standardised exchange mechanisms, centralise quality checks and timely provision of business intelligence

2.3: Improving quality and consistency of supervision to contribute to a level playing field in the insurance and pensions market

CROSS-CUTTING THEME: INSURTECH

Digital innovation in insurance, or InsurTech, is a growing trend that brings both benefits and risks to insurers and consumers. For example, greater access to and sharing of data can help consumers benefit from lower premiums, but it may also lead to consumers being excluded from certain policies.

In 2019, EIOPA will assess the impact that digitalisation has on both consumers and industry to identify technology-neutral supervisory approaches, based on the principle of proportionality, that will allow in-

novation to flourish and consumers to benefit while remaining protected.

- › Use of Big Data
- › Fragmentation of the value chain and resulting impact on business
- › Cyber risks and cyber insurance

EIOPA will also continue to play a role in the implementation of the European Commission's FinTech Action Plan.

STRATEGIC OBJECTIVES

3

Strengthening the financial stability of the insurance and occupational pensions sectors

Today's political uncertainty and challenging market conditions call for effective risk monitoring at European level. This will facilitate the early identification of risks, allowing for mitigating actions to be taken in good time to preserve the financial stability of the insurance and pension sectors.

- › Maintain, further develop and reinforce core products (e.g. stress tests, Financial Stability Report, Risk Dashboard).
- › Provision of transparent and credible risk reports and statistics.
- › Develop preventative policies and actions to mitigate risks to financial stability, including further work on recovery and resolution.

AREAS OF ACTION

- 3.1. Identifying, assessing, monitoring and reporting risks to the financial stability of the European insurance and pensions sectors
- 3.2. Preventative policies and actions to mitigate risks to financial stability

4

Delivering the mandate effectively and efficiently

EIOPA will continue to operate in an effective manner so that it can fulfil its mandate as efficiently as possible, while remaining flexible and ready to adapt to a changing environment.

- › Maintain readiness to implement any required changes while still delivering its strategic objectives.
- › Improve, streamline and automate processes.

AREA OF ACTION

- 4.1. Ensuring a strong corporate culture, proper governance as well as skilled and committed staff

PERFORMANCE INDICATORS

Driving forward conduct of business regulation and supervision

Indicator	Average number and diversity of respondents to public consultations on consumer protection topics per consultation.
Target	20
Indicator	Number of national initiatives taking inspiration from deliverables of EIOPA's conduct of business supervision framework and broader consumer protection work.
Target	5

Leading convergence towards high-quality prudential supervision throughout the EU

Indicator	A technically sound and participatory review of the Solvency II insurance regulation by EIOPA.
Target	EIOPA technical advice and annual reports provide a sound basis for regulatory review of Solvency II. An evidence-based feedback loop allows for the assessment of the effectiveness and quality of the implemented regulation.
Indicator	Pursuit of Solvency II as the practical implementation of the International Association of Insurance Supervisors' international capital standard (ICS).
Target	The ICS to be published in 2019 (but not yet binding) is in line with the principles of Solvency II: market consistency and risk-based.
Indicator	The development of the internal market for pensions by promoting a common supervisory culture, consistent supervisory practices and sound European regulation.
Target	EIOPA supervisory opinions and reports in the areas of governance, risk assessment and information provision to members and beneficiaries under IORP II promote a common supervisory culture as well as best and consistent supervisory practices.
Indicator	Data available in the Central Repository calculated as a percentage of number of insurance undertakings reported on with valid data by NCAs and market share of each country, as evidenced by the completeness ratio of technically valid reports of the quantitative reporting templates.
Target	97% of number or 98% of market share.
Indicator	Timely and high quality publication of the Risk Free Rate.
Target	12 publications a year – meeting the deadline of publication within four working days of the beginning of the month.
Indicator	Number of supervisory or policy actions taken by national competent authorities following observations and feedback from EIOPA's Oversight Unit.
Target	20
Indicator	Number of annual visits to national competent authorities to assess progress against the objectives set out in supervisory plans.
Target	25

Strengthening the financial stability of the insurance and occupational pensions sectors

Indicator	Citations of the financial stability products in research journals and publications from other public institutions in the field of financial stability.
Target	4
Indicator	The number of financial stability risks with a material impact, within the agreed scope of the stress test, not identified by the exercise materialising within one year of the published date of results.
Target	0

Delivering the mandate effectively and efficiently

Indicator	Percentage of audit findings from the European Court of Auditors and Internal Audit Service addressed by improvement measures by the agreed deadline, or if not deadline was set, within 12 months of being issued.
Target	100%
Indicator	Implementation of budget: Percentage of approved budget committed.
Target	99%