

# SUPERVISORY CONVERGENCE PLAN FOR 2024

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**eiopa**

European Insurance and  
Occupational Pensions Authority

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# 1. SUPERVISORY CONVERGENCE

Convergence of supervisory practices should be built on a common interpretation of laws and regulations, and without prejudice to the application of supervisory judgment or of the proportionality principle.

Convergence of supervisory practices is not only achieved or assessed by outputs, i.e., by the number, quality and impact of supervisory tools published or assessments performed. Convergence is also about working together as a supervisory community. The process of developing common benchmarks for supervisory practices, performing reviews, engaging in challenging interactions and providing training or other support to NCAs in itself leads to supervisory convergence and EIOPA has observed an important development in these areas.

Therefore, to achieve a high, effective and consistent level of supervision across Europe, EIOPA confirms supervisory convergence as one of its main strategic goals for the years to come.<sup>1</sup> The occurrence of exogenous economic shocks (e.g. the COVID-19 pandemic, supply chain disruptions, the war of aggression in Ukraine and the energy crisis) as well as the increasing losses arising from natural catastrophes have demonstrated that ensuring supervisory convergence in extreme situations is even of greater relevance. For 2024, EIOPA will continue its work on supervisory convergence as a collective effort by all NCAs and EIOPA staff.

## 1.1. COMMON SUPERVISORY CULTURE

As expected by any solid structure, the framework of supervisory convergence needs to be built upon clear, well-known and commonly understood foundations.

EIOPA's booklet, "A common supervisory culture — Key characteristics of high quality and effective supervision"<sup>2</sup>, was the first step in building such framework and continues to be a foundation for supervisors' work. The booklet defines the following five key characteristics of high-quality and effective supervision: risk-based and proportionate, forward-looking, preventive and proactive, challenging, skeptical and engaged, comprehensive and conclusive. The work developed by EIOPA on supervisory convergence always take these characteristics into account.

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<sup>1</sup> See the Single Programming Document 2024-2026, including the Annual Work Programme 2024 and in particular the strategic objective "3. Promote sound, efficient and consistent prudential and conduct supervision throughout Europe, particularly in view of increased cross-border business" ([link](#))

<sup>2</sup> [https://www.eiopa.europa.eu/sites/default/files/publications/pdfs/a\\_common\\_supervisory\\_culture\\_0.pdf](https://www.eiopa.europa.eu/sites/default/files/publications/pdfs/a_common_supervisory_culture_0.pdf)

A common supervisory culture cannot however be built overnight and is never concluded. It is a long journey where supervisors progressively work together, adopt a focused approach, and challenge each other along the way. In this way, supervisors build a strong and fair supervisory culture that promotes consumer protection and enhances the stability of the financial system for the benefit of Europe's business, economy and citizens. As processes and procedures are easier to align than behaviours, convergence will occur at different paces but evolution should be visible.

The implementation of a common supervisory culture requires constant change and evolution. This was recognised in the last amendments to the ESAs Regulations, in particular the amendments to Article 29 of EIOPA Regulation, where tools such as establishing Union strategic supervisory priorities, establishing coordination groups to promote supervisory convergence and identify best practices or develop and maintain an up-to-date Union supervisory handbook have been identified. It is of utmost importance that the supervisory community has, at all levels, easy access to EIOPA tools as well as the ability and willingness to use them.

It is also important that whenever possible supervisory convergence tools are made public. For this reason EIOPA promotes supervisory convergence through the release (after the public consultation) of public supervisory convergence tools, such as Opinions or Supervisory Statements when possible. There are, however, certain contents that should be kept confidential among supervisors.

## 1.2. SUPERVISORY CONVERGENCE TOOLS

To further strengthen supervisory convergence, EIOPA use different building blocks, which will each have their own specific tools to support supervisory convergence.

### 1.2.1 BUILDING COMMON BENCHMARKS FOR SUPERVISORY PRACTICES

This is achieved through the work on supervisory guidelines and recommendations; opinions; supervisory statements; the Supervisory Handbook; questions and answers; public best practices; reports; training/networking of supervisors; and study visits between supervisors.

### 1.2.2 REVIEW OF PRACTICES AND COMPARISON OF COMPETENT AUTHORITIES

Thematic reviews aim at assessing market practices or gathering quantitative and qualitative data on consumer outcomes and the drivers of these outcomes.

Peer reviews aim at assessing supervisory practices of national supervisory authorities as well as the adequacy of supervisory resources and the degree of independence of those competent authorities. Although the [Peer review work plan 2023-2024](#) is published by EIOPA as a separate document, the peer reviews planned in 2024 are reported in this plan for the sake of completeness.

### 1.2.3 EIOPA'S OWN INDEPENDENT ASSESSMENT

EIOPA's oversight work focuses on monitoring and challenging supervisory practices and supporting NCAs. The tools used include bilateral visits; cooperation platforms on cross-border business; dialogue with group supervisors; participation in colleges of supervisors; breach of European Union law investigations; and a mediation role. Furthermore, following the change of its Regulation, EIOPA identifies at least every three years [Union-Wide Strategic Supervisory Priorities \(USSP\)](#) that reflect future developments and trends. The USSP for the period 2021-2023 are business model sustainability and adequate product design. NCAs shall take those priorities into account when drawing up their work programmes and shall notify EIOPA accordingly. Follow-ups on the implementation of the USSP are performed and conclusions drawn. EIOPA coordinates the supervisory actions with the NCAs on specific topics with the aim to provide a structured and consistent response to the key risks the European Union and the individual insurance markets are exposed to.

**Priority 1: Practical implementation of the common supervisory culture and the further development of supervisory tools**

<p><b>1</b> Risk assessment framework and application of proportionality</p>	<p><b>2</b> Common Benchmarks for the supervision of Internal Models</p>	<p><b>3</b> Supervisory assessment of conduct risks</p>	<p><b>4</b> Supervisory approach to ESG risks</p>	<p><b>5</b> Group Supervision</p>	
<ul style="list-style-type: none"> <li>- Review of EIOPA Guidelines on Supervisory Review Process</li> </ul>	<ul style="list-style-type: none"> <li>- IMOGAPIs, annual update and further improvements</li> </ul>	<ul style="list-style-type: none"> <li>- Monitor implementation of follow-up measures for thematic review on credit protection products</li> <li>- Conduct risk assessment (mystery shopping and dashboard)</li> <li>- Exclusions and lack of clarity in insurance contracts (COVID19)</li> <li>- Methodology to address value for money risks</li> <li>- Address risks emerging from digital distribution and digitalisation across the insurance value chain</li> </ul>	<ul style="list-style-type: none"> <li>- Revision of SRP handbook on climate change risk in Pillar 2</li> <li>- Monitor application of Opinion on climate change risk scenarios in the ORSA</li> <li>- Prudential Oversight activity on integration of climate risk assessment in ORSA in colleges meetings</li> <li>- Monitoring and supervision of greenwashing</li> </ul>	<ul style="list-style-type: none"> <li>- Improvement to EIOPA SRP handbook chapters on group supervisions, in particular on treatment of Own Funds (also for related undertakings falling under the category of other financial sectors) and IGTs and RCs</li> </ul>	
<p><b>6</b> Supervisory Technology (SupTech)</p>	<p><b>7</b> Supervision of Captives</p>	<p><b>8</b> Supervisory powers in cross-border contexts</p>	<p><b>9</b> Guidance on innovative reinsurance structures<sup>new</sup></p>	<p><b>10</b> Peer review on the supervision of the Prudent Person Principle (PPP)<sup>new</sup></p>	<p><b>11</b> Peer Review on the supervision of technical provisions<sup>new</sup></p>
<ul style="list-style-type: none"> <li>- SupTech tools on Data quality and tool on NLP applied to the SFCR: start of the development phase (new)</li> <li>- Finalization of PRIIPs KID SupTech tool and explore NPL technology to identify greenwashing</li> </ul>	<ul style="list-style-type: none"> <li>- Finalisation, after the public consultation, of EIOPA Opinion on supervision of captive undertakings</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to reflect on the challenges associated with the use of emergency powers under Article 155(4) of Solvency II Directive</li> <li>- Develop appropriate supervisory tools to facilitate the cooperation in relation to the Mobility Directive (new)</li> </ul>	<ul style="list-style-type: none"> <li>- Finalise the analysis of the mass-lapse reinsurance arrangements and sliding scale commissions, as well as start the analysis of funded reinsurance (asset-intensive reinsurance) and any other arrangement Members may propose.</li> </ul>	<ul style="list-style-type: none"> <li>- Finalise the peer review on the supervision of the investments (i.e., compliance with the Solvency II Prudent Person Principle), including the supervision of non-traditional or more complex assets and the specificities of unit/index linked business where the risk is borne by policyholders</li> </ul>	<ul style="list-style-type: none"> <li>- Carry out the peer review on the supervision of Technical Provisions (i.e. best estimate valuation) by NCAs, with a particular focus on the use of stochastic simulations to better value options and guarantees embedded in insurance contracts</li> </ul>

**Priority 2: Risk to the internal market and the level playing field which may lead to supervisory arbitrage**

<p><b>12</b> Internal Model outcomes, modelling methodologies and supervisory practices</p>	<p><b>13</b> Authorisations, fitness and propriety</p>	<p><b>14</b> Pension issues</p>	<p><b>15</b> Third Country reinsurance in the EU</p>	<p><b>16</b> Private equity ownership of insurance undertakings<sup>new</sup></p>
<ul style="list-style-type: none"> <li>- Continue the annual comparative study regarding Market and Credit Risk</li> <li>- Continue the Life Underwriting Risks Comparative study</li> <li>- Finalise the analysis over Operational Risk modelling methodologies and supervisory practices</li> <li>- Update the Study on Diversification in Internal Models</li> <li>- Launch an initiative on Nat Cat Risks (new)</li> </ul>	<ul style="list-style-type: none"> <li>- New Article 31a of ESAs regulation: working with ESA to set up a cross sectoral system for info exchanges on holders of qualifying holdings, directors and key function holders of financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>- Further develop the IORPs' Supervisory Handbook, starting with a chapter on the supervision of multi-sponsor IORP providers and subsequently on risk-based supervision</li> </ul>	<ul style="list-style-type: none"> <li>- Finalisation of Supervisory Statement on supervision of reinsurance with third country insurance and reinsurance undertakings</li> </ul>	<ul style="list-style-type: none"> <li>- Develop a supervisory convergence tool on insurance companies owned by private equity, due to lack of specific reference in the Solvency II regulation</li> </ul>

**Priority 3: Supervision of emerging risk**

<p><b>17</b> IT security and governance-related risks, including cyber risk</p>	<p><b>18</b> Digital transformation</p>
<ul style="list-style-type: none"> <li>- ESAs preparation for the new roles and tasks stemming from DORA (e.g. the oversight framework, the management of reporting of major ICT-related incident etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Following the publication in of the AI governance principles report (June 2021), EIOPA will seek to develop further sectorial work, considering the legislative developments</li> <li>- Participate and promote relevant discussions in the insurance and pension sector in the European Forum of Innovation Facilitators (EFIF)</li> </ul>

## 2. SUPERVISORY CONVERGENCE PLAN FOR 2024

### 2.1. PRIORITY AREAS — CRITERIA

The decision on the priority areas of EIOPA's convergence work follows a risk-based approach. In this sense a risk-based approach implies identifying the depth and scale of issues and focusing priorities and resources where they matter most. The priorities that are taken into account when developing the supervisory convergence plan are grouped in the following 3 categories:

- Areas with relevant impact on policyholders and financial stability. The impact is not only about the scale or number of policyholders affected if risks materialise or the scale of the individual impact for policyholders, but also where this could have a potential effect on market reputation and on business models.
- Areas that can affect fairness, the level playing field or the proper functioning of the internal market through the existence of possible supervisory arbitrage (in particular referring to cross-border business within the EU and with countries outside the EU, regarding both equivalent and non-equivalent countries).
- Key areas of supervision where practices substantially differ.

### 2.2. SUPERVISORY CONVERGENCE PLAN FOR 2024

This plan provides, starting with the priorities identified for 2023, an update of EIOPA priorities for 2024 regarding supervisory convergence practices. The plan also takes into account the Union-wide strategic priorities and EIOPA strategic objectives and the Peer review work plan 2023-2024. The Supervisory Convergence Plan should also contribute to a safe and sustainable EU for citizens in time of transformation.

In 2023, the work on supervisory convergence revealed a good degree of progress but some projects still need to be finalised. New areas of priorities for 2024 have been identified such as in the area of sustainability or use of reinsurance, among others. In 2024 EIOPA will also deliver the policy work deriving from the Solvency II Review and the adoption of the Insurance Recovery and Resolution Directive (IRRDR). In particular regarding the Solvency II work, the lessons from supervisory convergence from last years will be put in practice.

EIOPA Supervisory Convergence Plan will continue to address the following priorities.

1. Practical implementation of the key characteristics of the common supervisory culture and further development of supervisory tools;
2. Risks to the internal market and to the level playing field which may lead to supervisory arbitrage;
3. Supervision of emerging risks.

### 2.2.1. PRACTICAL IMPLEMENTATION OF THE COMMON SUPERVISORY CULTURE AND FURTHER DEVELOPMENT OF SUPERVISORY TOOLS

#### A) RISK ASSESSMENT FRAMEWORK AND APPLICATION OF PROPORTIONALITY

- Review of EIOPA Guidelines on Supervisory Review Process (SRP) to assess if and how guidelines, issued in 2015, can be further improved to reflect the lessons learned by NCAs in the first years of supervision of Solvency II requirements as well as discuss the emerging trends of new macro-economic environment and digitalisation to ensure that guidelines remain fit for the purpose of ensuring the quality, effectiveness and consistency of supervision. EIOPA will also consider the need to review the Chapter on Risk Assessment Framework of its Supervisory handbook.

#### B) COMMON BENCHMARKS FOR THE SUPERVISION OF INTERNAL MODELS

- IMOGAPIs (Internal Model On-Going Appropriateness Indicators): annual update and further development of the IMOGAPI tool. In particular, the information from the new IM QRTs that will be available in 2024 will be directly incorporated into the tool. Moreover, EIOPA is also working on leveraging on the new IM QRTs to produce individual reports that support IM supervision.

#### C) SUPERVISORY ASSESSMENT OF CONDUCT RISKS

- As follow-up of thematic review on credit protection products sold through banks distribution channel finalised in October 2022<sup>3</sup> and the Warning issued to address risks identified in the thematic review<sup>4</sup>, EIOPA will monitor the implementation of follow-up measures to be taken by NCAs, providing its support to all relevant stakeholders involved in the process.
- Expand the type of work to be carried out in relation to conduct risk assessment, in particular by:
  - Finalise the first multi-countries mystery shopping coordinated exercise, following a hybrid approach<sup>5</sup> focusing on the advice process and the sustainability

<sup>3</sup> [Thematic Review on Credit Protection Insurance \(CPI\) sold via banks | Eiopa \(europa.eu\)](#)

<sup>4</sup> [Warning to insurers and banks on Credit Protection Insurance \(CPI\) products | Eiopa \(europa.eu\)](#)

<sup>5</sup> EIOPA coordinated mystery shopping, funded by EIOPA, as well as parallel mystery shopping exercises organised and conducted at national level.



assessment, on the basis of the common mystery shopping methodology approved in 2022;

- Continue working on developing a conduct risk-dashboard relying both on the work on the conduct risk assessment and the consumer trends work.
- Continue work on issues with exclusions and lack of clarity in insurance contracts, including specific monitoring activities in relation to the supervisory statement published in September 2022. As part of this work, following the publication of the paper exploring consumers' experience with insurance products in light of Nat Cat, EIOPA will also engage, within the broader COM dialogue, with the industry on exclusions in relation to systemic risks. The dialogue will also explore conduct aspects relating to protection gaps and cover potential demand side constraints and possible solutions to closing the protection gaps in the long run.
- Continue focusing on value for money, including by implementing supervisory benchmarks to identify those products which *prima facie* may not offer value for money.
- Address risks emerging from digital distribution and digitalisation across the insurance value chain. This includes exploring and addressing the usage of dark patterns to push consumers towards buying insurance products as well as continuing monitoring the implementation of the Supervisory Statement on Differential Pricing Practices.

#### **D) SUPERVISORY APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS**

- Assess the need to review EIOPA Supervisory Handbook chapter on supervision of climate-related risks in Solvency II Pillar II, including assessment of the content to be made public;
- Monitor the application of the EIOPA Opinion on the supervision of the use of climate change risk scenarios in ORSA;
- Oversight activity related to the assessment of the materiality of climate-related risks, in particular natural catastrophes, and discussion on the integration of climate risk assessment in the ORSA in colleges meetings;
- EIOPA monitoring and supervision of greenwashing cases, also in relation to transition plans and targets as well as testing whether SupTech can effectively identify greenwashing cases and occurrences.

#### **E) GROUP SUPERVISION**

- Further improving the Supervisory Handbook chapters on group supervision, in particular on the treatment of own funds (also for related undertakings falling under the category of other financial sectors).

#### **F) SUPERVISORY TECHNOLOGY (SUPTECH)**

- During 2024 EIOPA will follow-up on all activities performed in the past and initiate the analysis phase and, potentially, the start of the development phase of the two SupTech projects included in the second SupTech program: tool on Data quality and tool on Natural Language Processing (NLP) applied to the SFCR<sup>6</sup> (new project).
- During 2024 EIOPA will continue improving the PRIIPs KID SupTech tool as well as explore

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<sup>6</sup> Solvency and Financial Condition Report

NPL technology to identify greenwashing and will also implement a machine learning pilot to effectively and proactively identify conduct risks.

#### **G) SUPERVISION OF CAPTIVES**

- Finalisation, after the public consultation, of EIOPA Opinion on supervision of captive undertakings, in particular on cash-pooling, Prudent Person Principle and Governance.

#### **H) SUPERVISORY TOOLS IN CROSS-BORDER CONTEXTS**

- In 2024, EIOPA will continue to reflect on the challenges associated with the use of emergency powers under Article 155(4) of the Solvency II Directive.
- Following the publication of the so called Mobility Directive<sup>7</sup>, which aims to eliminate unjustified barriers to the freedom of establishment of EU companies in the single market, EIOPA intends to develop appropriate supervisory tools to facilitate the cooperation between departure and destination competent authorities and to set clear expectations regarding for example transfer of supervisory information and knowledge, treatment of open supervisory issues, treatment of already granted permissions or other specifications under the Solvency II Directive, in line with Mobility Directive objectives while ensuring prudential and supervisory concerns are catered for and sound supervision can be ensured on an ongoing basis (new project).

#### **J) GUIDANCE ON INNOVATIVE REINSURANCE STRUCTURES**

- During 2023 EIOPA has started discussing with its members innovative reinsurance structures (e.g., Matching Adjustment reinsurance) to ensure a consistent treatment across Europe. During 2024, the EIOPA will finalise the analysis of the mass-lapse reinsurance arrangements and sliding scale commissions, as well as start the analysis of funded reinsurance (asset-intensive reinsurance) and any other arrangement Members may propose (new project).

#### **K) PEER REVIEW ON THE SUPERVISION OF THE PRUDENT PERSON PRINCIPLE (INSURANCE)**

- Following the review by peers on the Prudent Person Rule for IORPs completed in 2019 and its follow-up<sup>8</sup>, EIOPA will finalise the peer review on the supervision of the investments (i.e., compliance with the Solvency II Prudent Person Principle<sup>9</sup>), initiated in 2023, including the supervision of non-traditional or more complex assets and the specificities of unit/index linked business where the risk is borne by policyholders (new project).

#### **L) PEER REVIEW ON THE SUPERVISION OF TECHNICAL PROVISIONS**

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<sup>7</sup> Directive (EU) 2019/2121, amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions. The Mobility Directive amends some of the existing rules on cross-border mergers in the EU and, for the first time, introduces rules on cross-border conversions and divisions for all Member States. Member States were required to implement the Mobility Directive into national law by 31 January 2023.

<sup>8</sup> [Follow-up Report on Peer Review on supervisory practices with respect to the application of the PPR for IORPs \(europa.eu\)](#)

<sup>9</sup> According to Article 132 and 133 of Solvency II Directive.

- In line with EIOPA Peer Review work-plan 2023-24, EIOPA will carry out the peer review on the supervision of Technical Provisions (i.e. best estimate valuation) by NCAs, with a particular focus on the use of stochastic simulations to better value options and guarantees embedded in insurance contracts (new project).

## 2.2.2 RISK TO THE INTERNAL MARKET AND THE LEVEL PLAYING FIELD WHICH MAY LEAD TO SUPERVISORY ARBITRAGE

### A) INTERNAL MODEL OUTCOMES, MODELLING METHODOLOGIES AND SUPERVISORY PRACTICES

- Continue the annual comparative study regarding Market and Credit Risk;
- Continue the Life Underwriting Risks Comparative study;
- Finalise the analysis over Operational Risk modelling methodologies and supervisory practices;
- Launch the update of the Study on Diversification in Internal Models;
- Launch an initiative on Nat Cat Risks: NatCat Risk is a material risk for European undertakings. The modelling of this risk requires a variety of information, data and expertise from various sources that are - at least in part - constantly evolving (e.g. climate change). Irrespective of using an internally developed model or a vendor model, it is a challenge for undertakings to incorporate all these information into their risk measurement approach and keep the model up-to-date.

The objective of this initiative will be to analyse the current undertakings' NatCat risk modeling approaches from a methodological perspective and gather good supervisory practices, especially with regard to existing challenges. (new project).

### B) AUTHORISATIONS, FITNESS AND PROPRIETY

- In the context of the implementation of Article 31a of the ESAs regulation, EIOPA will continue working with the other ESAs to set up a cross sectoral system for information exchanges relevant to assessments of the fitness and propriety of holders of qualifying holdings, directors and key function holders of financial institutions by competent authorities; following a two-pronged approach: (1) joint Guidelines and other policy work and (2) IT solution facilitating the information exchange (consisting of a cross-sectoral common searchable database and NCAs contacts list).

### C) PENSION ISSUES

- The shift of risk away from sponsors on to members and beneficiaries and stricter governance requirements laid down in the IORP II Directive are impacting on the market with the number of IORPs managing the occupational pensions of multiple unrelated sponsors on the rise. In a predominantly defined contribution pensions world, reaping the benefits of scale economies becomes even more relevant for members and beneficiaries

who bear risks and costs. From a supervisory perspective, it is also important that IORPs as providers of occupational pensions have sound business plans to ensure their viability and to mitigate any conflict-of-interest risk that could potentially cause detriment to the membership. To address this need, risk-based supervision will be the next area of development of the IORPs Handbook (new project).

#### **E) THIRD COUNTRY REINSURANCE IN THE EU**

- Following EIOPA's work done in 2023 and the public consultation of the "Draft Supervisory Statement on supervision of reinsurance concluded with third country insurance and reinsurance undertakings" in 2024 EIOPA will work on the finalisation of the Supervisory Statement and on the establishment of a cooperation framework between NCAs on supervision of reinsurance with third country reinsurers. EIOPA will continue its work in the area of common reporting for the EU-US reinsurers under the EU-US Agreement on Insurance and Reinsurance<sup>10</sup>.

#### **F) PRIVATE EQUITY OWNERSHIP OF INSURANCE UNDERTAKINGS**

- EIOPA will work on a supervisory convergence tool to gather the NCAs' knowledge and to identify best supervisory practices in relation to supervision of insurance companies owned by private equity (new project).

### **2.2.3. SUPERVISION OF EMERGING RISKS**

#### **A) IT SECURITY AND GOVERNANCE-RELATED RISKS, INCLUDING CYBER RISK**

- EIOPA will work together with the EBA and ESMA via the Joint Committee on fulfilling the policy mandates under the Regulation on digital operational resilience for the financial sector (Digital Operational Resilience Act (DORA)). In addition to the development of the Policy mandates, the ESAs will have to prepare for the new roles and tasks stemming from DORA (e.g., the oversight framework, the management of reporting of major ICT-related incidents etc.). In 2024 the ESAs will start the projects to adapt their internal processes and systems to be able to cope with the new regulatory requirements. Supervisory convergence on supervision of ICT risk will also be important in the context of DORA.

#### **B) DIGITAL TRANSFORMATION**

- Following the publication in June 2021 of the AI governance principles report developed by EIOPA's Consultative Expert Group on Digital Ethics, EIOPA will seek to develop further sectorial work, for instance by focusing on the governance and risk management of specific AI use cases in insurance. In this regard, EIOPA will take into account the legislative developments of the Artificial Intelligence Act.
- Participate and promote relevant discussions in the area of the insurance and pension sector in the European Forum of Innovation Facilitators (EFIF). The EFIF provides a platform for supervisors to meet regularly to share experiences from engagement with firms through innovation facilitators, to share technological expertise and to reach common views on the

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<sup>10</sup> [EUR-Lex - 4339452 - EN - EUR-Lex \(europa.eu\) and U.S.-EU Covered Agreement | U.S. Department of the Treasury](#)

regulatory treatment of innovative products, services and business models, overall boosting bilateral and multilateral coordination.

## 2.3. OVERSIGHT PRIORITIES

EIOPA's own Oversight work focusses on ensuring a high level of policyholder protection and equal treatment of consumers across the Internal Market. We engage with the NCAs on their day-to-day supervision to (further) develop practical tools to support supervisory convergence with a specific focus on cross-border issues. The priority for 2024 is to continue to increase our effective engagements through:

- Resolving supervisory concerns of a conduct or prudential nature that arise around the provision of insurance services in a Member state via freedom of services or freedom of establishment by establishing and coordinating cross-border cooperation platforms;
- Assessing potential cross-border risks by participating in joint-onsite inspections under the umbrella of the colleges of supervisors or via the cross-border cooperation platform, both in the area of conduct and prudential supervision;
- Monitoring the implementation of the Union-wide Strategic Supervisory Priorities by engaging with national supervisors and providing feedback and assistance;
- Providing support to NCAs in their day-to-day supervision by providing supervisory recommendations through country visits and bilateral engagement, in the area of conduct and prudential supervision as well as in the specific area of supervision of internal models.

Furthermore, EIOPA will stand ready to provide assistance to at least two NCAs in the area of internal model applications upon request, as introduced in the amendment to the Solvency II Directive<sup>11</sup>, and will continue developing this tool.

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<sup>11</sup> Article 112(3a) of the Solvency II Directive

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