Actuarial Association of Europe

Insurance Committee

September 2016

Matters under consideration at IRSG (as at June 2016 meeting with updates)

Upcoming IRSG work

- Sub-group structure will guide work of IRSG.

Subgroup I	Topics
Solvency Subgroup	
	Implementation (incl proportionality)
	Refining/reviewing Solvency II (including 2018 SCR review, LTI & Int Models)
	IAIS/ICS (other international issues incl)

Subgroup II	Topics
Conduct	
	Market conduct supervision
	Consumer trends

Subgroup III	Topics
Distribution	
	IDD
	Delegated Acts
	• POG
	• Conflicts of interest and Inducements
	• Suitability & Appropriateness
	ITS
	• IPID
	Guidelines on the assessment of IBIPs
	PRIIPs (KID)

Upcoming IRSG work

- Sub-group structure will guide work of IRSG.

	Topics
Other	
	Upgrading the single market
	• ESAs review
	• Call for evidence
	• Green paper
	NatCat
	PEPP
	Digitalisation
	• Cyber risk
	• Big data
	Stability / Low interest rate

June meeting – EIOPA updates

- Collecting inputs for SCR review and LTG report
- SCR review looking to reduce complexity, ensure proportionality and avoid pro-cyclicality
- Organising workshops on public disclosures
- Finalising last pieces of final advice on personal pensions
- PRIIPS – preparing to adopt RTS (now in question!)
- Involved in preparation of report on low interest rate environment in 2016 (led by ESRB)
- ICS field testing ongoing. Second ICS public consultation subsequently launched.

June meeting – EC updates

EC

- Motor insurance
  - communication on motor liability claims
  - revision of scope of Motor Insurance Directive
- Adoption of Q2 risk free rates
- Adoption of PRIIPS KID RTS (now in question!)
- Call for tenders on personal pensions
- IORP discussions continue

Consumer Protection

- Input provided to EIOPA Consumer Trends Report. Discussion concerning how to capture key EU- wide consumer issues as opposed to hot topics in local markets.
- Discussion on IDD, covering
  - consequences of failure to produce all information required by Product Oversight and Governance rules
  - approach to definition of inducements
  - suitability/appropriateness of investment element of IBIP
- Thematic reviews of conduct issues. Discussion of IRSG involvement in relation to prospective thematic reviews and input to ongoing reviews.
- IRSG subsequently input to EIOPA on proposed Q&A on PRIIPS KID RTS

Insurance stress test 2016

- Discussion re
  - need for stress test given zero insurance failures in some countries
  - need for stress test given SII SCR based on stressed situation
  - selection of scenarios
  - severity of scenarios
  - scheduling stress tests

Other

- UFR – discussion re stability of UFR over time, difficulty of assessing “correct” UFR, targeting of impact assessment, timing of change, impact on risk margin
- Feedback on public consultations re
  - investment in infrastructure corporates
  - templates for submission of information on investment in infrastructure, ELTIFs and equities traded through multilateral trading platforms