



I N B R I E F

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.



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

DRIVING FORWARD CONDUCT OF BUSINESS REGULATION AND SUPERVISION

Good conduct of business drives confidence and trust in the financial sector.

Following the implementation of the Insurance Distribution Directive and the Regulation on the key information document for packaged retail insurance-based investment products, EIOPA will continue to evolve its focus from policy to supervisory convergence. The aim will be to address fragmented approaches, thereby ensuring better and consistent outcomes for consumers across Europe.

AREAS OF ACTION

- › Developing and strengthening the regulatory framework for the protection of consumers
- › Developing and strengthening a comprehensive risk-based and preventive framework for appropriate conduct of business supervision

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.



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A strong view on conduct risk is essential for evidence-based and risk-based preventative conduct of business supervision

EIOPA's framework for assessing conduct risk through the product lifecycle clarifies drivers of conduct risk and their implications in the emergence of consumer detriment.

Read more here: <https://europa.eu/!YR93Up>

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 innovation 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.



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Focus on Big Data

Data processing is at the heart of insurance, with the price of every policy based on a data-driven analysis.

EIOPA's thematic review examines the use of Big Data by insurance companies motor and health insurance.

Read more here: <https://europa.eu/!Hm68Yr>

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.

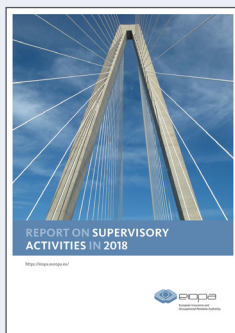
EIOPA supports national supervisors to apply a common approach to supervision through different tools including guidelines, opinions. EIOPA also facilitates the sharing of good practice and training.

AREAS OF ACTION

- › Enabling supervisory convergence with a sound, smart and robust regulatory framework which is responsive to market developments
- › Enhancing the use and quality of supervisory information through efficient standardised exchange mechanisms, centralise quality checks and timely provision of business intelligence
- › Improving quality and consistency of supervision to contribute to a level playing field in the insurance and pensions market



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In 2019, EIOPA will continue to focus on the practical implementation of the key characteristics of the common supervisory culture and further development of supervisory tools, risks to the internal market and level playing field, and the supervision of

emerging risks.

Read more about EIOPA's achievements in 2018 and supervisory convergence plan for 2019 here: <https://europa.eu/ljmg96rK>

PRIORITIES

- › Further development of the regulation and eventual authorisation of the pan-European personal pension product (PEPP)
- › Preparing the ground for the Opinion on long-term guarantee measures (de 2020)
- › Further refinement of the International Capital Standard 2.0
- › Achieving proportional and relevant application of IORP II across Europe
- › Enhance the quality of prudential and financial stability data on insurance and pensions
- › Promote consistency in supervision through the provision of a greater range of indicators to support identification of risks and guide decision making
- › Continue to strengthen security
- › Build and enhance a common supervisory culture and consistent supervisory practices
- › Issue opinions on new applications or changes in internal models
- › Conduct a risk-based assessment and follow up on specific supervisory issues in terms of quality and consistency of national supervisory practices with a focus on cross border issues

CROSS-CUTTING THEME: SUSTAINABLE FINANCE

EIOPA has put sustainability as a central theme in its strategic thinking and is examining 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. The aim of these activities is to ensure that insurers and pension funds operate in a sustainable manner by:

- › Managing and mitigating environmental, thereby reflecting the role of insurers in underwriting risk for the whole economy;
- › Reflecting preferences of policyholders and pension scheme members for sustainable investments;
- › Adopting a sustainable approach to investments and other activities; thereby reflecting the importance of insurers and pension funds as owners of a substantial portion of investments in the European economy.

EIOPA also plays a role in the implementation of the European Commission's Action Plan on Sustainable Finance.

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.

To strengthen the identification, assessment and monitoring of risks, EIOPA will continue to develop a solid statistical basis and enhance its focus on horizontal, sector wide, analysis of risks.

AREAS OF ACTION

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

PRIORITIES

- › 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.

SYSTEMIC RISK AND MACROPRUDENTIAL POLICY IN INSURANCE

Systemic risk and macroprudential policy in insurance

EIOPA continues to contribute to the debate on macroprudential policy in insurance building on work to identify the following:

- › Does insurance create or amplify systemic risk?
- › If yes, what are the tools that already exist in the Solvency II framework and how do they contribute to mitigating the sources of systemic risk?
- › Are other tools needed and, if yes, what are they?

In 2019, EIOPA will work to develop a specific policy proposal for additional macroprudential tools or measures, in the context of the Solvency II review.



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Read more: <https://europa.eu/!kh47ur>

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.

AREAS OF ACTION

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

PRIORITIES

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

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