



MARKT/2516/06 - EN Orig.
June 2006

**Draft Minutes of the 3rd meeting of the
European Insurance and Occupational Pensions Committee**

Brussels, 5 April 2006

Opening and welcome

The meeting was opened and chaired by Mr Elemér Terták, Director for Financial Institutions in the Internal Market Directorate-General.

1. Agenda

The Chairman pointed to slight changes to the originally proposed agenda. To save time, Item 5 would not be discussed in depth but would be dealt with in written procedure. A Delegation had asked for the question of the European Mutual Statute to be discussed under other business and had provided a short note that had been distributed.

The agenda, as amended, was adopted.

One Delegation regretted the absence of translations of the working documents into its national language and recalled that an official letter had been sent to the Commission on this subject last year.

The Chairman apologised for this state of affairs, which was beyond his control and reflected the heavy demand on inadequate translation resources. He agreed that the dissatisfaction of this Delegation would be reflected in the minutes.

2. Minutes of the 2nd meeting of the EIOPC

No requests for changes to, or comments on, the draft minutes were raised and the minutes of the 2nd meeting of the EIOPC were adopted.

3. DG TAXUD work on VAT on financial services and insurance

A representative of DG TAXUD briefed the Committee on the work being undertaken in this area.

The problem of non-recoverable VAT was a big issue for the insurance industry. A review of this legislation, which dated from the 1970s and had not been changed since then, was overdue. Insurance had been exempted from VAT for technical reasons and work in the 1990s had shown how complex and politically sensitive this area remained.

The fundamental issue was that the exemption model was flawed and inefficient. It imposed a bias towards vertical integration and penalised outsourcing, the replacement of labour by technology and cross border business via a non-recoverable VAT penalty. In-house business within a single Member State involved no such penalty. At the same time this non-recoverable VAT had become a significant source of revenue for the Member States.

There was also the difficulty of interpreting the current legislation, which led to different interpretations among the Member States and had also led to recourse to the Court of Justice. There had been some significant judgments, such as in the Andersen case where the Court had favoured a narrow interpretation of exempt activities, and this trend would continue or even increase unless the legislation was modernised.

DG TAXUD was considering a number of options to deal with the negative and distorting effects of the current situation. These included a more extensive use of the option to tax, an examination of the approach taken in other countries (such as Australia where 75% recovery was allowed for certain outsourced services) and a re-examination of the (old and too general) definitions in the Directive. The possible use of a Regulation might enable greater clarity and

detail to be achieved. Doing nothing was not an option, though the need for unanimity dictated a pragmatic approach.

In addition to the public consultation, a conference would be held on 11 May in collaboration with the European Banking Federation and the European Insurance Committee. A proposal for legislation might appear around November or December

The Chairman thanked the representative of DG TAXUD for his very interesting and thought-provoking presentation.

4. Revision of Article 15 of Directive 2002/82/EC and of the corresponding articles in the other Insurance Directives

The Commission reported on progress in the ongoing review of the supervisory approval process which had been initiated following the mandate from the informal Ecofin Council in Scheveningen in September 2004.

In the light of the Presidency conclusions of the Ecofin meeting on 8 November 2005, it had been decided to review the supervisory approval process in the securities and the insurance sectors at the same time as in the banking sector. The Ecofin conclusions had emphasised in particular the need for consistency across financial services sectors.

The Commission emphasised that this exercise was limited to a review of Article 15 and was independent of the Solvency II project. However, CEIOPS' advice on the call for advice on fit and proper issues would of course feed into the Solvency II process.

The Commission's banking, insurance and securities' units were now working closely together on this project. Draft articles had been drawn up for all three financial sectors. A joint cross-sectoral working group had been established. The Group had held its first meeting on 3 February 2006 and most Member States had been represented by 3 experts. Substantial progress had been made. Following that meeting, Member States had been invited to send written comments on the draft texts. A majority of Member States had used this opportunity and the Commission Services had circulated new draft texts on 27 February 2006. Member States were invited to comment on these texts by 6 March 2006. Again, several Member States sent in constructive comments.

The Services were currently revising the texts, after which the text would be sent to the Commission's Legal Service.

The Commission representative drew attention to two key areas in the discussions:

- The number of days within which the supervisory review was to take place and whether or to what extent the clock could be stopped by the supervisor during the process;
- The possibility for the Commission, in well-defined and limited cases, to access the documents used by the supervisors in the approval process.

The Services were currently working on an Impact Assessment that would accompany the formal proposals. A public consultation had also been launched (until 19 April 2006) and all stakeholders were invited to participate (link from DG MARKT's homepage). The intention was to come forward with a Commission proposal in summer 2006.

A number of delegations commented on this ongoing work.

One delegation repeated its doubts about the need for action in this area.

Another noted the importance of the procedures under consideration as a tool for supervisors rather than a weapon.

One delegation expressed its reservation against any potential reduction of the time granted to the supervisory authorities for the assessment.

Two delegations expressed reservations or raised questions concerning the Commission's wish for access to documentation. One saw no need to put this into the text, while another enquired as to the possible legal basis and the link with Lamfalussy level 4.

The Commission representative repeated that the Legal Service was being consulted on the access to documentation question.

5. Supervisory arrangements: the next five years

This agenda item related to a document produced by the Banking Unit of DG Markt that had been well received and had given rise to a considerable amount of discussion.

There was an ongoing debate about the effectiveness of supervision and the shape of future supervisory arrangements. In the banking sector there was much discussion about whether supervisory arrangements were adequate for an integrating EU financial market and there was also much pressure from large cross-border groups for more streamlined supervisory arrangements.

Although prepared for the European Banking Committee, this paper had already been considered and discussed at the European Securities Committee. The Commission had considered it appropriate that this paper should also be presented at the EIOPC so that the cross-sectoral implications of the issues raised in this paper should be given due consideration.

The Commission services would welcome the views of EIOPC members on the implications of the work proposed for the insurance sector and on whether the challenges arising in the insurance sector were the same as in the banking sector, whether they needed to be prioritized differently or whether there were different challenges.

Given the length and complexity of this paper, and the substantial Solvency points to be covered at the meeting, the Chairman suggested that delegations should study it and send in (by mid-May) in writing any general or insurance specific comments they wished to make. The comments received would be made available and would determine whether the Committee should come back to this discussion at its next meeting

The Committee agreed to this procedure.

6. The link between Institutions for Occupational Retirement Provision (IORPs) and Solvency II

The Commission gave a brief introduction to document Markt/2505/06 and suggested that the discussion should focus on two questions: 1) Should in principle a full or adapted version of Solvency II apply to IORPs? and 2) Should the scope of Solvency II be enlarged to include IORPs at this point in time, or should a separate Solvency II process for IORPs be started after the adoption of the Proposal for a Directive on Solvency II?

All members that intervened agreed that it was not feasible to include IORPs into the scope of Solvency II at this point in time and supported the document's analysis in this respect. As to the principle of applying a full or adapted version to IORPs, some members focused on the differences between IORPs and insurance undertakings, whereas other members stressed the need for cross-sectoral consistency. It was made clear that the present differences were already difficult to understand and that they could provide unwanted arbitrage opportunities. For one member the diversity of IORPs in the EU was an argument not to touch this issue, whereas for another member this was not a reason at all.

Some members addressed the sensitivity of the matter, and one member believed in particular that there would be a risk of creating instability in the market if a Solvency II process for IORPs were to be announced. Another member took the view that experience in the EU and across the Atlantic had shown that intervention was needed to safeguard the interests of scheme members and beneficiaries. One member underlined the subsidiarity aspect of pension policy in general, although another member clarified that this aspect was less relevant now that there was an internal market Directive harmonising several elements.

As to the question regarding the way forward, several members identified the need for experience. It was pointed out that the Directive was not yet implemented by all Member States and it was not fully clear yet what Solvency II for (re)insurers would exactly look like. Three members were in favour of starting a Solvency II process for IORPs in 2008. Other members that intervened did not want to take that decision now, but suggested that the issue be reviewed in 2008. Nonetheless some of these members pointed at the useful role CEIOPS could play. One member mentioned in particular the role of CEIOPS regarding the review on technical provisions. All members agreed that the specificities of IORPs should be reflected in any action taken.

The Chair concluded that IORPs would not be included in the scope of Solvency II. Because of the diverging views expressed, all members were invited to submit to the Commission their views on the two questions in document Markt/2505/06. The Commission would revisit the issue again when starting the reviews foreseen in the Directive

7. Solvency II

The Chairman introduced the Solvency II agenda item. This was again in three parts:

A. General progress reports from the Commission and CEIOPS on the ongoing work.

B. Consideration of proposed changes to the Framework for Consultation, following on from the Solvency Working Group meeting of 20 March.

C. Commission update on impact assessment and CEIOPS report on its current work on QIS2.

A. Progress reports

The Commission services reported that work on Solvency II had accelerated in recent months and paid tribute to the enormous efforts put in by all those involved in this work both from the CEIOPS Secretariat and from all the Member States involved. As a result of good co-operation, Solvency II was moving forward, though the timetable remained extremely challenging.

Since the last EIOPC meeting on 2 December 2005 the Solvency Working Group had met three times. On 14 December 2005 there had been a discussion on the draft new codified Directive (MARKT/2524/05). Following this discussion, a new version had been presented at the following meeting on 15-16 February 2006. Nine Member States had sent in written comments. Work was currently ongoing with the Legal Service on the codified Directive.

On 15-16 February 2006 new draft articles reflecting the first wave of calls for advice were discussed (document MARKT/2501/06). Written comments from six Member States had been received. There had also been a presentation by the CRO Forum and the CEA on the cost of capital approach.

The meeting on 20 March 2006 discussed technical provisions and the cost of capital approach on the basis of document MARKT/2502/06. One Member State had sent in written comments on this document. It was on the basis of the discussion on 20 March and the answers provided to the questions raised at that meeting that the Commission had drafted its proposed changes to the Framework for Consultation, which constituted the next agenda sub-item.

The Commission Services noted that documents 2501/06 and 2502/06 were not public and accordingly the Member States' comments on those papers would not be made public. The Commission asked, however, whether Member States who had commented on these working papers could agree to their answers being circulated to the other Member States.

CEIOPS' answer to the third wave of calls for advice had been due by the end of February but owing to the complexity of the issues, CEIOPS would only approve the final answers to the calls for advice at its 25-26 April Members meeting. The EIOPC would discuss these answers at its 6 July meeting.

The next Solvency Working Group meeting would be on 5-6 May and would discuss new Solvency II draft text on issues covered by to the second wave as well as elements of the Impact assessment report. The Commission informed the Committee that the codified Directive would not be discussed at that meeting since there were on-going discussions with the revisors of the Legal Service. The codification would undergo considerable drafting changes, but the substance would remain unchanged. It was planned that a new version of the codified directive would be ready in the autumn.

The following meeting would be held on 22-23 June, back-to-back with the Solvency II Public Hearing taking place on 21 June.

The CEIOPS representative reported on the work on preparing the final answer to the 3rd wave of calls for advice. The Copenhagen meeting on 6 December had approved the consultation paper. Following a shortened consultation period, final approval was envisaged at the Extraordinary Members Meeting on 25 and 26 April, after which the answers would be forwarded to the Commission.

In 2006, CEIOPS would publish further consultation papers and refine its existing work. This had always been planned and would also be in line with the Commission request set out in its January letter. The CEIOPS representative outlined the further papers to be produced on Pillar 1, Pillar 2 and group issues. The plan was to issue papers for consultation in June 2006, with final advice being scheduled for October. The time-frame would be different for the advice that depended on the results of QIS2. In this case, consultation papers would be issued in October after the results of QIS2 were available.

CEIOPS believed it was making good progress, but noted that there were high-level questions (e.g. on the prudential margin) where political guidance was still needed. The revised Framework, for discussion at this meeting of the Committee, was a useful step in this direction.

B. Framework for Consultation: proposed changes

The Commission gave a brief introduction to document Markt/2511/06 and its annex (Framework for Consultation) and explained that the proposed changes to the Framework for Consultation related mainly to paragraph 16 on technical provisions. In particular the principle of market valuation of technical provisions and the specification of the risk margin and its calculation methods should provide the additional guidance requested by CEIOPS.

A majority of members that intervened could accept the amendments, although some additional clarification was sought and text suggestions provided. Two members took the view that the amendments were not really needed, but could broadly accept the text. Only one member opposed the amendments, clarifying that prudence in technical provisions was of the utmost importance and that further guidance on the risk margin could only be provided after QIS 2.

The principle of market valuation was thought to be somewhat artificial by one member, as a real market for technical provisions does not exist. It pointed out that there was no consensus within the industry and that mutuals would also have difficulty with this concept. It requested an alignment on IAIS Cornerstone V in this respect. Two other members, however, requested the text to be reinforced on this point and to clarify that market valuation implied that hedgeable risks were valued at the market value of the respective hedging instrument.

Three members pointed out that the Best Estimate is the key issue. It should be calculated in a reliable manner. Further guidance by the actuarial profession should be sought. One of these members, supported by another member, agreed that realistic assumptions implied that surrender value floors should not be applied to the calculation of technical provisions. However, it was pointed out that overall, sufficient financial resources should be available to cover the surrender value obligation.

Concerning the risk margin, members that expressed themselves on this point could agree that the Cost of Capital method would be tested, although three members believed this method not to be adequate or prudent. Two members suggested including a third method based on scenarios. A large number of members that intervened took the view that eventually one method should be applied, as a preferred option. This would be particularly important for insurance groups, doing life and non-life business. However, it was noted that a simplified method could be useful for smaller undertakings. One member took the view that more than one method could be acceptable if they were economically equivalent. Another member stressed that no Member State option should be given in case several methods would be accepted.

One member, although agreeing with the amendments, pointed out that, to the extent technical provisions would be higher than a Best Estimate plus Risk Margin based on market consistent valuation, the surplus should be allowed to cover the SCR. This member would send a note to the Commission explaining this point in more detail.

The Chairman concluded that there was a lot of agreement on the proposed amendments to the Framework for Consultation. Although agreeing with the comments made on hedgeable risks, the Commission believed that this terminology was not yet fully defined. The Commission concurred with those members that stressed the importance of the calculation of the Best Estimate. The Groupe Consultatif had offered its help on this issue and the Commission would further communicate with the Groupe on this matter. A further alignment of the Framework with IAIS papers was welcomed. The Commission would slightly redraft the Framework for Consultation and send the redraft to the members. However, it was noted that this would not lead to any delay in CEIOPS' work, as they could now go ahead with the current text. It was also agreed that the comments provided by members would be circulated to other members.

C. Impact assessment – Commission update

At the last meeting of EIOPC, the Commission Services had presented a paper providing an update on the impact assessment of Solvency II (MARKT 2525/05). It had identified a number key pieces of additional work that needed to be carried out as part of the impact assessment including: quantitative impact studies; impact on the macro-economy and financial stability; impact on insurance products and markets; impact on supervisory authorities, consumers and SMEs; and market failure analysis. The paper had also recognised the need for further consultation work. In particular, the Commission Services proposed organising a public hearing and conducting interviews with a range of stakeholders as well as setting up an inter-service steering group. The Commission had also promised to keep the Committee up to date with developments on the impact assessment work.

Regarding quantitative impact studies, CEIOPS had now completed QIS1 and had published summary results. QIS2 was currently being finalised and would test both the percentile

approach and the cost-of-capital approach. The Commission had given a presentation to CEIOPS FSC setting out its requirements regarding QIS2 at the joint Pillar 1/FSC meeting on 14 February in Paris and had also given the same presentation to the Solvency Working Group on 15 February. CEIOPS planned to submit the QIS2 report to the Commission in the Autumn

Work on the assessment of the macro-economic effects of the introduction of Solvency II including the impact on financial stability was involving the ECB, DG ECFIN, the Joint Research Centre. Three tri-lateral meetings had been held so far.

As regards the impact on insurance products and markets, CEA/AISAM/ACME would produce a typography of European Insurance Markets and would also be conducting an exception based analysis of the impact on insurance products and markets.

To gauge the impact on supervisory authorities, consumers and SMEs, CEIOPS had created a task force COMPASS to look at the impact on supervisory authorities. The Commission Services had made a presentation to FIN-USE on 22 March and were currently working on a document looking at key issues from a consumer perspective.

Concerning market failure analysis, the first elements of the impact assessment report would be presented to the Solvency Working Group Experts meeting on 4-5 May. This would cover procedural issues, the problem definition for the market failure analysis, the objectives and the policy options.

Further Consultations would involve a public hearing to be held on 21 June 2006. This would focus on the impact on insurance products and markets; consumers and SMEs and international developments. The GNAIE was performing a comparative study of Solvency II and the US system and both the Commissioner and the Director General were due to speak at the meeting. Discussions with various stakeholders had already been conducted including: insurance undertakings, think tanks, strategic consultants, rating agencies and non-EU supervisory authorities. A questionnaire was being prepared.

An Inter-Service Steering Group (ISG) had been set up with participation from a wide number of other DGs including ECFIN, EMPL, COMP, JLS, ENTR, SANCO and SEC GEN. The Inter-Service Steering Group met for the first time on 8 December 2005. It was also intended to set up a focus group within DG MARKT.

The Next milestones were the Solvency Working Group on 4-5 May and the 21 June Public Hearing in Brussels. A further update would be provided at the EIOPC meeting on 6 July.

Two Member States raised the issue of calibration of QIS2. In particular, concern was raised regarding the 40% capital charge for equity exposures. The Commission said it would raise the issue at the next meeting of CEIOPS Financial Stability Committee due to take place on 11th April 2006.

8. Motor insurance

Mr Michael Nicholson, Secretary General of the Council of Bureaux, opened the agenda point on motor insurance by giving a presentation on uninsured vehicles in Europe.

Firstly, he explained the importance of uninsured driving and its impact on the cost of premiums (+/- €1 as EEA average). Secondly he presented the advantages and disadvantages of 3 calculation methods to estimate the rate of uninsured driving. The Council of Bureaux believed that all calculation methods had pros & cons but that the method based on the ratio of uninsured vehicles to total vehicles should be preferred since all MS had motor insurances databases and vehicle registration databases. This method also provided a consistent basis of comparison.

The Commission gave a short presentation of the main conclusions of the 2005 report on motor insurance (compensation body & trailers). On the basis of the inputs gathered from the various consultations, the Commission had concluded that there was no need to revise Article 6 of the 4th Motor Insurance Directive since the compensation mechanism seemed to operate fairly smoothly in Member States. In response to the question raised by the EP on trailers during the negotiations of the 5th Motor Insurance Directive, the Commission believed that no amendment to the definition of vehicle provided for in Article 1 of the 1st Motor Insurance Directive appeared necessary. The outcome of the various consultations carried out for the preparation of the report had shown that the current wording of the Directive was sufficiently clear as far as trailers were concerned. The report finally identified two cases where victims might encounter difficulties in obtaining compensation for an accident with a trailer and suggested possible solutions which could be examined on the occasion of a future recasting of the Motor Insurance Directives, which was planned for 2007. The Commission sought the EIOPC's views to see whether there was a need to increase both the public awareness of compensation bodies and the efficiency of the agreement signed at operational level between the compensation bodies as well as to identify ways of collecting more accurate and comparable statistics on road accidents.

The Commission reminded the EIOPC members about the ongoing consultation on legal expenses and on Article 4 of the 4th Motor Insurance Directive (claims representatives, sanctions, etc....) with a view to the next report on motor insurance. The EIOPC members were invited to provide their replies to this consultation by 15 May 2006.

The Commission concluded that there was a need to use one single calculation method in order to tackle uninsured vehicles adequately. At present, it was not possible to have a clear view of the situation regarding this issue at EU level. Rates of uninsured vehicles were hardly comparable: most of them were calculated on a different basis as every Member State applied its own methodology. The Commission would continue to investigate this issue in conjunction with the Council of Bureaux. One calculation method would be proposed to the EIOPC members as well as a yearly reporting exercise on uninsured vehicles following calculations made on the basis of this method.

9. Treatment of third country reinsurers and other reinsurance issues

The document before the Committee asked for Member States' views on two issues concerning third country reinsurers carrying out activities in the Community.

In the first part of the note the Commission Services proposed interpretations on two issues raised by Article 49 of the Reinsurance Directive.

That article dealt with the treatment of reinsurance undertakings whose head offices were located outside the Community and that were carrying out reinsurance activities in the Community. To determine when a reinsurance undertaking was carrying out reinsurance activities in the Community, the Commission proposed to use as a criterion the head office of the cedant insurance undertaking. If its head office was located in the Community, then the reinsurance undertaking would be providing services in the Community and Article 49 would be applicable.

Six delegations explicitly agreed with this approach. One delegation was opposed to it alleging that it could have an extraterritorial impact.

On the second issue, the Commission Services proposed that it was for Member States to decide the conditions under which third country reinsurers could provide services in their territories. Six delegations explicitly agreed with this approach. Another could agree but, for the medium term, called for a common approach by negotiating agreements with third countries (under Article 50).

On the points raised in the second part of the note, no Member State objected to the Commission's proposal to develop as part of Solvency II a common EU approach towards the treatment of the credit given to reinsurance purchased by EU insurance undertakings from third country reinsurers, in particular in the determination of technical provisions and in the calculation of capital requirements. The potential role of CEIOPS was also recognised.

Certain Member States already anticipated some of the issues that would have to be discussed in the transposition meetings. One commented on the distinction between direct and indirect supervision of reinsurers. Another questioned the treatment of reinsurers located in off-shore centres such as Bermuda. Another delegation noted the difficulties of applying Article 49 of the Reinsurance Directive in those States where there were no reinsurance companies.

10. Report on the March 2006 EU-US Dialogue meeting in Orlando

The Commission representative reported on the Orlando, Florida meeting of the EU-US Financial Regulatory Dialogue on Insurance held on 3 March in parallel with the Spring meeting of the NAIC. Representatives of CEIOPS and the Commission had met with NAIC representatives, including its Chairman, to discuss a number of issues.

The Dialogue produced a first practical achievement when CEIOPS and NAIC agreed the conclusion of a Memorandum of Understanding on exchange of information.

At its meeting, NAIC adopted unanimously the White Paper on Reinsurance Collateral, setting out the advantages and disadvantages of the collateral regime. The Executive Committee mandated the Reinsurance Task Force to develop alternatives to the current reinsurance regulatory framework, including the use of collateral, in consultation with

international regulators, and to present a proposal to the December 2006 national meeting. CEIOPS had nominated a liaison officer to work with the NAIC.

The Commission representative stressed the importance of this real progress on reinsurance. Much remained to be done, of course, and the American Insurance Association (representing ceding companies) and the Reinsurance Association of America still needed to be convinced.

11. Publication of winding-up decisions and reorganisation measures in the Official Journal

The problem was how best to publish decisions. This matter had already been discussed at the December 2005 meeting of the Committee where it had been agreed that the proposed draft forms could be further improved and that CEIOPS should be consulted. The Commission thanked the three delegations that had commented and CEIOPS for their contributions. Most suggestions had been accepted and incorporated.

The Commission stressed the basic idea, namely that forms were better than the publication of long extracts since this would better achieve the objective of the Directive, namely to ensure the fast publication of information to protect creditors. Speed could not be ensured if large-scale translation work had to be undertaken and potential creditors were more likely to read tables carrying the necessary information.

The use of the forms would not be legally binding; rather their use would be recommended as a form of co-operation.

The forms were agreed and the Commission undertook to publish them on its insurance website with guidance for their use.

12. Any other business

a. The European Mutual Statute

One delegation encouraged the Commission to resume its work on this dossier. Mutuals were important on its market and represented some 12% of business. Although work on the proposal had been stopped because of lack of progress and the proposal had been withdrawn, this delegation urged the Commission to re-examine and see under what conditions a new proposal could be launched. The European Company Statute provided certain opportunities, which were not open to mutuals. A corresponding text for mutuals might help to slow down the process of demutualisation.

The Commission noted that DG Enterprise was responsible for this dossier and that withdrawal of this proposal seemed to have reawakened interest in it. The Commission had shown some openness in a draft reply to a Parliamentary question and had said that it would examine changes and developments in the mutual sector and, depending on the results, might consider the possibility of making a new proposal.

Another delegation strongly supported the resumption of work in this area.

The Commission representatives agreed to bring this discussion to the attention of their colleagues in DG Enterprise.

b. Point on communication of implementing legislation

The Commission noted that the emphasis was now less on new legislation and more on enforcement. The co-operation of the Member States was needed to that end. Asymmetric implementation was very problematic for the functioning of the internal market.

For the IORP Directive, 11 Member States had not yet communicated their implementing legislation or had only produced partial implementing legislation. Regarding the Insurance Mediation Directive, 6 Member States had still to implement and notify. On this latter directive the Commission noted that it had started checking implementation and in the coming days would be sending out letters asking certain Member States to provide clarifications or to respond to certain doubts the Commission might have. These letters did not at this stage constitute the opening of infringement proceedings.

Member States could also assist the Commission in other ways, for example by making clear whether implementation was full or partial and by providing transposition tables.

Where new texts were amending earlier texts the Commission requested the submission of the earlier legislation as well as the amending texts. If further implementing rules were adopted at a lower level these should also be communicated.

c. On-line Consultation on future Internal Market policy

The Commission reported on the forthcoming launching of an important public consultation. The internal market had entered a crucial phase. Much progress had been made towards creating an economic area where people, goods, services and capital could circulate freely, but plenty of untapped potential remained. Furthermore, the Internal Market was facing substantial new challenges.

The Directorate General for Internal Market and Services was therefore currently reflecting on how best to take Internal Market policy forward and ensure it was fit for the challenges of the 21st century.

It wanted to stimulate a lively public debate and learn from all those that were affected directly by the Internal Market and interested in its future development: citizens, business, representative organisations, public administrations, academia, think tanks. DG Markt was therefore launching an on-line consultation on the future of Internal Market policy and looked forward to receiving views by 15 June 2006. The consultation was to be found at:

http://europa.eu.int/comm/internal_market/strategy/index_en.htm#consultation

The consultation document would be made available in all official languages of the EU as soon as possible.

Newsletter

The Chairman drew the attention of delegates to the traditional Insurance Committee newsletter which had been circulated.

Publication of EIOPC Papers

The Chairman noted the agreement of Members for the release all EIOPC papers with the exception of the documents relating to agenda items 6. and 9.

No further business being raised, the Chairman closed the meeting, the next meeting of the EIOPC being scheduled for 6 July 2006.

One delegation noted a clash with the OECD Insurance Committee.