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▶ TIBER-EU, cyber attack simulation for the financial sector

At the beginning of May 2018, the European Central Bank (ECB) announced that it had designed TIBER-EU, the first EU-wide framework for controlled and bespoke tests against cyber attacks in the financial sector. It will facilitate testing for cross-border entities under the oversight of several authorities.

TIBER (*Threat Intelligence-based Ethical Red Teaming*)-EU is designed to enable EU and national authorities to work with financial institutions and infrastructures to implement a programme to test and improve their resilience against sophisticated cyber attacks. An intelligence-led red team test involves the use of a variety of techniques to simulate an attack on an entity's critical functions and underlying systems to help the entity to assess its protection, detection and response capabilities.

The framework document provides an overview of TIBER-EU and how it will be implemented across the EU, with details of the key phases, activities, deliverables and interactions involved in a TIBER-EU test. The ECB encourages relevant authorities to engage with each other to determine how best to adopt and implement TIBER-EU. Financial infrastructures and institutions are encouraged to work closely with their regulators to establish a framework that will enhance the cyber resilience of their sector.

ECB's "TIBER-EU Framework - How to implement the European framework for Threat Intelligence-based Ethical Red Teaming" available [here](#)

Source: ECB's press release, 02-05-2018

▶ EP agreement on Single Digital Gateway to benefit from all Single Market opportunities

On 12 July 2018, the European Commission welcomed the vote in the Internal Market and Consumer Protection Committee (IMCO) of the European Parliament on the Regulation establishing a Single Digital Gateway.

The Single Digital Gateway will be a central, online and easily accessible entry point for people and companies looking for complete, accurate and up-to-date information, administrative procedures and assistance services linked to their Single Market rights.



Any procedure currently available online for domestic users will be accessible to users from other Member States. Information and explanations will be made available in an EU language that is understandable for cross-border users. 21 key administrative procedures will have to be made fully available online (requests for a birth certificate, car registration, income tax declaration, ...).

The Single Digital Gateway will also reduce cross-border red tape by introducing the 'once-only' principle, i.e. if citizens and businesses need to submit supporting data or documents as part of administrative procedures, they can ask for this to be exchanged directly between authorities.

An agreement was reached by EU legislators only a year after the proposal was put forward by the Commission. Formal approval by the Parliament and the Council is expected in September. The Single Digital Gateway will be launched in two years' time in 2020.

The Commission's proposal for a Regulation on establishing a Single Digital Gateway available [here](#) in all EU languages

Source: European Commission's press release, 12-07-2018

▶ France reforms its compulsory insurance guarantee fund in the event of insurers' insolvency

Since 1 July 2018, the compulsory insurance guarantee fund (FGAO) in France covers insured persons in the event of insolvency of French insurers and also foreign insurers operating in France with the EU passport (freedom to provide services or freedom of establishment), with regard to motor liability and "damage to works" insurance. This new measure results from an order published in the Official Journal on 28 November 2017 and which amends the scope of the FGAO in case of insolvency of insurance companies. Previously, the FGAO did not intervene for "damage to works" insurance contracts of foreign insurers operating in France who were declared bankrupt.

For other compulsory insurance (medical liability, professional indemnity and ten-year building guarantee), insureds will no longer be able to apply to the Fund if their insurers go bankrupt.

The new scope of the FGAO will apply to new and renewed contracts as from 1 July 2018, but not to existing contracts, which means that during the transition period, the FGAO will not intervene for ongoing "damage to works" insurance contracts concluded with foreign insurers.

Source: L'argus de l'assurance, 28-06-2018

▶ UK to remain within the motor insurance free circulation zone after Brexit

In its 2018 Manifesto, BIBA (the British Insurance Brokers' Association, one of the British member association of BIPAR) called for a practical approach to enable over 2.5 million British motorists to continue to travel easily throughout the EU post-Brexit.

In a letter to BIBA, the UK government announced that it had decided to keep the UK within the motor insurance free circulation zone. While the decision remains subject to formal approval by the European Commission, it is expected to be purely procedural and the agreement should be put in place. This will allow UK drivers to enter the EU using their domestic motor insurance policy without the need to be issued with any additional documentation.

BIBA welcomed the decision and stated: *"Without such an agreement, drivers would be faced with increased bureaucracy and delays at borders and insurance brokers would need to have in place mechanisms to physically issue 2.5 million Green Cards every year. This is exactly the solution we wanted."*

The green card system is currently conducted on paper and documents cannot be delivered electronically. Each vehicle needs a separate certificate and the time required to apply would have made last-minute journeys difficult.

Source: BIBA's website, 17-05-2018



▶ European Commission's proposal for a European Labour Authority

To deliver on the European Pillar of Social Rights, the Commission adopted in March 2018 a proposal to establish a European Labour Authority with the aim of strengthening cooperation between labour market authorities at all levels and better managing cross-border working situations. Further initiatives in the direction of promoting fair mobility are the proposals for a European Social Security Number and for a Council's Recommendation on access to social protection for workers and the self-employed.

Commission's proposal for a Regulation establishing a European Labour Authority - [English version](#) / [French version](#)

Source: European Commission's press release, 13-03-2018

▶ Member States agree on new tools to combat large-scale VAT fraud in the EU

The European Commission welcomed the political agreement reached by EU Member States on 22 June 2018 on new rules that will strengthen cooperation between Member States, enabling them to tackle VAT fraud more quickly and more efficiently, including on online fraud. More use will be made of IT systems which should replace the manual processing of data. VAT information and intelligence on organised gangs involved in the most serious cases of VAT fraud will now be shared systematically with EU enforcement bodies. Improved investigative coordination between tax administrations and law enforcement authorities at national and EU level will ensure that criminal activity is tracked and tackled more effectively.

The proposed measures follow up on the Commission's proposals for a deep reform of the EU VAT system presented in October 2017, and the VAT Action Plan towards a single EU VAT area presented in April 2016. The new cooperation measures will be published in the EU Official Journal and will enter into force 20 days later. As the implementation of the automated access to the information collated by the customs authorities and to vehicle registration data will require new technological developments, their application will be deferred until 1 January 2020.

Source: European Commission's press release, 22-06-2018

▶ EIOPA's 2017 Annual Report

In mid-June 2018, the European Insurance and Occupational Pensions Authority (EIOPA) published its Annual Report for 2017, which contains a comprehensive account of its activities in the implementation of its mandate and work programme during 2017.

EIOPA's work focused last year on **strengthening supervisory convergence, enhancing consumer protection, and maintaining financial stability**. It continued its work with the national supervisory authorities to set out the key characteristics of **high-quality and effective supervision**. EIOPA also took steps to address perceived weaknesses in **cross-border business supervision**, by setting up, for example, platforms to facilitate cooperation between national supervisory authorities. To promote a **consistent approach to consumer protection**, EIOPA provided advice to the European Commission related to the **IDD** covering issues such as conflicts of interest in selling practices and technical standards on the **IPID** (insurance product information document). Moreover, EIOPA completed the first part of the first **review of the Solvency II regime**.

In 2018, EIOPA will focus on issues related to **digitalisation** and **InsurTech**, as well as **sustainable finance**. It will also continue to support the European Commission's actions in the European financial services agenda, including the Capital Markets Union.

EIOPA's 2017 Annual Report is available [here](#) in English only.

Source: EIOPA's website, 15-06-2018

▶ ESMA's 2017 Annual Report

On 3 July 2018, the European Securities and Markets Authority (ESMA) published its 2017 Annual Report, which presents its objectives, activities and key achievements in 2017. Last year, ESMA pursued its objective of enhancing investor protection and promoting stable financial markets. It focused on delivering the key priorities in its 2017 annual work programme:



- ✓ Supervisory convergence: implementation of MiFID II and MiFIR.
- ✓ Assessing risks: focus on data quality.
- ✓ Single rulebook: Benchmarks and Capital Markets Union.
- ✓ Direct supervision: supervision of credit rating agencies and trade repositories and their ancillary activities.

ESMA's 2017 Annual Report is available [here in English only](#).

Source: ESMA's website, 03-07-2018

▶ Entry into force of the 5th Anti-Money Laundering Directive

On 9 July 2018, the 5th Anti-Money Laundering Directive (AMLD) entered into force following its publication in the EU Official Journal.

Member States have 18 months from the entry into force to transpose these new rules into their national legislation, i.e. before 10 January 2020. The scope of the AMLD covers insurance intermediaries.

The objectives of the 5th AMLD are to:

- increase transparency on who really owns companies and trusts by establishing beneficial ownership registers;
- prevent risks associated with the use of virtual currencies and prepaid cards;
- improve the level of safeguards for financial flows to and from high-risk third countries;
- enhance the power of Financial Intelligence Units (FIUs) and facilitate their cooperation;
- ensure centralised national bank and payment account registers or central data retrieval systems in all Member States.

5th Anti-Money Laundering Directive available in all EU languages [here](#).

Source: European Commission's press release, 09-07-2018

▶ Capgemini/Efma World Insurance Report 2018

At the end of May 2018, Capgemini¹ in collaboration with Efma² released the "World Insurance Report 2018". According to this Report, almost 30% of global customers are willing to buy insurance products from BigTech companies such as Amazon and Google. By enhancing their digital agility and developing future-ready operating models, insurers have an opportunity to attract and retain customers to compete with this disruption, finds the World Insurance Report.

The World Insurance Report covers life, non-life, and health insurance. This year's Report draws on research insights from 20 markets. The survey provides insight into customer preferences, expectations, and behaviours with respect to specific types of insurance transactions.

¹ Capgemini: a global leader in consulting, technology services and digital transformation

² Efma: a global non-profit organisation that provides insights to help banks and insurance companies make the right decisions to foster innovation and drive their transformation

Capgemini/Efma World Insurance Report 2018 available [here](#)

Source: Capgemini's website, 22-05-2018

▶ Geneva Association's latest report on cyber insurance

The Geneva Association¹ recently published a report entitled "**Cyber Insurance as a Risk Mitigation Strategy**". According to this survey, as cyber attacks increase, "*insurers are uniquely positioned to help their customers improve cyber awareness, and better understand and manage cyber risks. In addition to the growth of policies for cyber risk transfer, the cyber risk insurance value chain provides a range of cybersecurity services. This offering includes not only risk mitigation and protection services for customers but also valuable data for insurers regarding cyber risks, cyber attacks, successful mitigation strategies, and the financial impact of actual cyber events.*"

¹ Geneva Association: leading international insurance think tank for strategically important insurance and risk management issues

Report "Cyber Insurance as a Risk Mitigation Strategy" available [here](#) / Infographic available [here](#)

Source: Geneva Association's website, 10-04-2018



▮ Swiss Re's latest Sigma report

Swiss Re Institute's latest Sigma report entitled "*World insurance in 2017: solid, but mature life markets weigh on growth*" looks at the development of life and non-life premiums in the global primary insurance industry in 2017.

The global economy grew at a higher rate than the 10-year average, but long-term interest rates remain low by historical standards. Global life premium growth was weak in 2017 due to falling premiums in advanced markets. Global non-life premium growth slowed due to lower growth in emerging markets.

The Swiss Re Institute expects global non-life premiums to rise, led by the US, where the economy is strengthening. It also predicts that global life insurance premiums will improve over the next few years, driven by strong growth in China.

[English version](#) - [French version](#) - [German version](#)

Source: Swiss Re's website