

10 December 2013

Thank you for your e-mail of 26 November. I am sensitive to your concerns and would therefore like to give you some background on the matter.

In fact, central banking and the insurance industry are quite distant. This is for two main reasons.

First, insurance groups are not counterparties to monetary policy operations. They do not take deposits and provide only limited credit, and therefore are not considered part of the monetary policy transmission mechanism. Even though they may have a bank as subsidiary - as, for example, some car manufacturers - banking is not their prime business. Accordingly, insurance groups are not classified as Monetary Financial Institutions (MFIs) in international statistical standards and they are not part of the close monitoring by central banks that is applied to MFI deposits and credit.

Second, as regards supervision, the relationship between central banks and the insurance industry is generally more distant than with banks. For the ECB, there is no such relationship. The Treaty stipulates that the ECB may assume supervisory tasks but explicitly excludes "insurance undertakings" (Article 127.6). Therefore, the recently established Single Supervisory Mechanism at the ECB does not cover insurance groups.

For these two reasons, working relationships between central banking and the insurance industry are far more remote than between central banks and the banking sector. For example, I personally had no working relationship during my employment at the ECB with the insurance group I will be joining. Likewise, in my future role I do not expect to have particular professional contacts with the ECB.

As far as the formal process is concerned, the ECB has established rules that protect against possible conflicts of interest for current and former employees. These rules were fully respected, including that of timely information of discussions with a prospective employer. I was discharged of duties related to monetary policy and remain subject to the professional secrecy obligation that covers all privileged information, even now after having left the ECB.

Yours sincerely,
C. Thimann