

UNION-WIDE STRATEGIC SUPERVISORY PRIORITIES – Focus areas for 2026

Oversight Department
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INTRODUCTION

In March 2024, EIOPA published the Union-wide Strategic Supervisory Priorities (USSP) for the period 2024-2026¹. Accordingly, National Competent Authorities (NCAs) shall take into account, when drawing up their work programmes for 2024-2026, the following two strategic priorities:

- **Financial robustness of insurance and reinsurance undertakings, and**
- **Consumer protection in a disruptive environment.**

Within the umbrella of these strategic priorities, EIOPA publishes, in each of the three years' cycle, more concrete insurance-specific Focus Areas for the next year, to support NCAs' application of the strategic priorities considering relevant developments and trends.

As published in the EIOPA statement from 19 November 2024², the following Focus Areas were established in 2025: i) Risk transfers including the capacity and appropriateness of risk transfers, and ii) Value for money. Additionally, sustainability risks were considered more suited as a possible Focus Area for 2026 and the Digital Operational Resilience Act (DORA) was identified as an Area for Attention.

The Areas of Attention aim to capture emerging issues, trends or risks that warrant increased attention but may not require yet a shift in supervisory priorities. As such, market participants shall consider the Areas of Attention as a call for awareness and take proactive steps before they escalate into major risks. NCAs will monitor relevant developments with the support of EIOPA that will play a proactive role by assessing Union-wide data, thus reducing burden on NCAs considering the needed balance between riskiness and capacity.

For 2026, and as anticipated, EIOPA confirms the following **Focus Areas**:

- DORA
- Sustainability risks,

reflecting continuity in strategic direction and alignment with the work programmes of the other European Supervisory Authorities under the umbrella of the European System of Financial Supervision.

Additionally, and to cater for some insurance specific developments, EIOPA and the NCAs identify the following two Areas for Attention for 2026:

- Solvency Capital Requirement (SCR) calculation related to Collective Investment Undertakings (CIU)³ (prudential); and

¹ [Union-wide Strategic Supervisory Priorities 2024-2026](#)

² [Union-wide Strategic Supervisory Priorities - Focus areas for 2025](#)

³ 'Collective investment undertaking' means an undertaking for collective investment in transferable securities (UCITS) as defined in Article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council or an alternative investment fund (AIF) as defined in Article 4(1)(a) of Directive 2011/61/EU of the European Parliament and of the Council.

- Fair treatment of consumers in claims management, including through digitalisation (conduct).

The CIUs are given a particular attention as they represented in the last quarter of 2024 around 36% of the total investments of the European insurance sector. High concentration in CIUs can entail specific liquidity, credit, market, operational and concentration risks making the (re)insurance undertakings' portfolios more vulnerable to losses if one or more of the CIUs experience difficulties.

Considering the persistent issues with claims management, EIOPA considers it important to also include this as an area of attention. Issues with claims handling practices are a recurring theme highlighted in almost every annual consumer trends report. The 2024 Consumer Trends Heatmap identifies claims management as the third most concerning risk in terms of impact and materiality for consumers, after value for money and the pensions gap. EIOPA's most recent Eurobarometer data also shows that only 62% of EU consumers are satisfied with claims handling process for any relevant insurance product they own (74% for health, 70% for Motor Third Party Liability (MTPL), 64% for household, and 61% for NatCat coverage). Alongside outsourcing practices in claims management, it is considered appropriate, considering the increasing impact of digitalisation, to take the opportunity to apply supervisory scrutiny to assess to what extent and how is digitalisation affecting – positively and negatively – claims handling processes.

Other regular supervisory activities, not explicitly mentioned in this document, will also be carried out in parallel and complement the work on the Focus Areas and Areas for Attention.

FOCUS AREAS FOR 2026

For 2026, the following **Focus Areas** are established:

1) DORA

The digital operational risks are expected to be an integral part of the supervisory review process of the NCAs, and included in their supervisory activities both onsite and offsite.

A particular supervisory focus shall be put in 2026, on a risk-based and proportional manner, on the following:

- Assessment of the degree of engagement of the Administrative Management or Supervisory board (AMSB) in developing the Information and Communication Technology (ICT) risk management framework and overall in relation to the posture of the undertaking in managing ICT related risks and disruptions;
- Assessment if the ICT risk management framework is fit for purpose given the business and ICT strategy of the undertakings;
- Monitoring and proactively engage with undertakings in relation to their major ICT related incidents;
- Assessment of the ICT third-party risk management framework, including comprehensiveness of registers of information. In assessing the ICT third-party risk management framework, supervisors should take into account the outcome and insights stemming from the DORA Critical Third-Party Providers designated as critical (CTPPs) oversight framework;
- Assessment of the digital resilience testing programme of the undertakings.

2) Sustainability risks

In line with the progressive implementation of the Solvency II Directive, the Insurance Distribution Directive (IDD) and the Sustainable Finance Disclosure Regulation (SFDR) requirements as well as the need for a continued improvement of supervisory capacity and further efforts towards supervisory convergence, the assessment of sustainability risks shall be a priority and should focus on the prudential risk management and scenario analysis of sustainability risks and sustainability claims as well as fair treatment of consumers in light of sustainability.

A particular supervisory focus shall be put in 2026, following a risk-based and proportionate approach that considers the materiality and likelihood of sustainability risks within a (re)insurance undertaking's business model, risk profile and exposure, on the following:

- Assessment of the quality and depth of materiality assessments of sustainability risks reported in ORSA reports, ensuring they are proportionate and specific to the undertaking's risk profile as well as coherent with the undertaking's strategy;
- Assessment of the design, credibility, and embedding of climate change scenario analysis in the ORSA, including the assessment of credibility of the assumptions used;

- Assessment of the capacity of the risk management function to oversee sustainability risks, including the appropriateness of governance and key functions;
- Assessment of the alignment between management of sustainability risks with investment decisions and approach towards prudent person principle;
- Assessment of sustainability claims made by (re)insurance undertakings in relation to their products and their overall sustainability profiles. In particular, the assessment should determine whether the claims are aligned with the four principles presented in EIOPA's Opinion⁴;
- Assessment of the product design and distribution function to ensure products offer value and/or exclusions are sufficiently presented and disclosed in light of sustainability risks;

AREAS FOR ATTENTION

For 2026, the following **Areas of Attention** are established:

1) SCR calculation related to CIUs

Considering the nature of the risks stemming from investment in CIUs, and the increasing share of CIUs in the overall portfolio of (re)insurance undertakings and of insurance groups, it is important to ensure the monitoring of the SCR calculation of this type of investment.

Solvency II imposes a “look-through” approach in the calculation of the SCR market risk module, which should be calculated on the basis of the underlying assets. The application of this requirement may be monitored on a first instance through the review of the Quantitative Reporting Templates (QRT)s reported by undertakings. By collecting the European insurance market's QRTs, EIOPA can facilitate the identification of outliers, thus supporting NCAs to address this Area of Attention, without overburdening the NCAs' limited resources who need to continuously respond to emerging risks in an increasingly complex and dynamic insurance sector.

Against this background, the following activities shall be undertaken in 2026 on a risk-based and proportional manner taking also into account the work already carried out by the NCAs on this topic:

- EIOPA - For all (re)insurance undertakings with 20% or more of investments in CIUs, EIOPA will perform an assessment of the year-end 2025 information submitted in supervisory reporting and inform the concerned NCAs about:
 - Possible inconsistencies across undertakings in the calculation of SCR regarding CIUs using a full look through approach, a simplified look-through or the type 2 equity;
 - Possible outliers in terms of incorrect or insufficient reporting of information regarding the look-through approach used in the SCR calculation and risk indicators;

⁴ [Microsoft Word - EIOPA-BoS-24-160- Opinion on sustainability claims and greenwashing](#)

- Undertakings using the simplified look-through approach and using data groupings/simplified look-through approach applied to more than 20% of the total value of the (re)insurance undertaking's assets.
- NCAs - Follow-up on the findings reported by EIOPA and assessment of implications as regards the system of governance of the undertakings identified.

A particular focus shall be given to private equity funds and alternative investment funds.

2) Fair treatment of consumers in claims management, including through digitalisation

Considering the persistent issues with claims management, it is important that NCAs monitor that claims are managed in adequate and timely manner. In this regard, relevant information is also available via EIOPA's retail risk indicators.

NCAs collect information and monitor claims management related aspects. These range from specific focus information on MTPL given its mandatory nature to broader information looking at claims in general. Most NCAs already actively monitor and report to EIOPA data on claims related complaints which continue to be the most common cause of complaints.

In January 2025, EIOPA started facilitating the identification of outliers by looking at claims denied ratios, aiming at supporting NCAs in taking a more risk-based approach to monitoring issues in non-life insurance.

Against this background, the following activities shall be undertaken in 2026 on a risk-based and proportional manner without prejudice of each NCA adapting the focus on the basis of the specific risks relevant for the particular market:

- For all insurance undertakings EIOPA will share the outliers with NCAs, as in 2025;
- For those undertakings with issues identified in relation to claims handling, NCAs to assess in a risk-based manner whether the issues relate to product design and value for money and/or claims management. If the latter, NCAs could engage with undertakings to understand the impact of outsourcing practices and/or digitalisation practices on claims management.

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