

# Supervisory statements

Supervisory Statements often aim to present finding on current practices observed and indicate areas for improvement. The statements are directed to National Supervisory Authorities (NSAs) as well as insurance and reinsurance undertakings.

## *Example 1 – Supervisory Statement: EIOPA’s Supervisory Statement - Solvency II: Solvency and Financial Condition Report (2017)*

In December 2017, EIOPA published a supervisory statement based on an analysis of solvency and financial condition reports (SFCRs) of (re)insurance undertakings and insurance groups. The statement aims to improve future disclosure of these reports. The analysis was based on a sample of publicly disclosed 2016 SFCRs published by (re)insurance undertakings and insurance groups in the EEA.

EIOPA’s analysis showed that the majority of reports were published on time and in general complied with the Solvency II requirements. Most of the reports were easily accessible on undertakings’ websites. However, EIOPA identified areas where further improvement is needed, regarding the quality of the content of future reports. This includes the following: a more fit-for-purpose summary.

undertaking/group specific information about the own-risk and solvency assessment, better-structured and more-comprehensive information on risk sensitivity to different scenarios or stresses, more-relevant information on bases, methods and main assumptions used for the valuation of assets, liabilities and technical provisions and addressing the uncertainties around valuation, more-comprehensive information of eligible own funds.

EIOPA encourages (re)insurance undertakings and insurance groups to take into account the recommendations outlined in the supervisory statement, considering the principle of proportionality, in the preparation of future reports.

*Learn more about the Solvency and Financial Condition Report (SFCR)  
(ADD LINK after Migration)*

## *Example 2: Supervisory Assessment of the Own Risk and Solvency Assessment (ORSA) (2017) (ADD LINK after Migration)*

In June 2017, EIOPA issued a supervisory statement on first experiences with the Own Risk and Solvency Assessment (ORSA) by (re)insurance undertakings. The ORSA is part of the undertakings' risk management and regulated by Article 45 of the Solvency II Directive.

EIOPA monitored that the majority of (re) insurance undertakings had made good progress in implementing the ORSA process in their internal procedures and reporting lines. However, EIOPA encouraged especially small undertakings to further elaborate on the ORSA process including their ORSA policy and the quality of data used in the assessments. EIOPA also requests undertakings to improve the involvement of their administrative, management or supervisory bodies in this risk assessment exercise as well as to embed the outcome of it in its strategic management decision making. EIOPA stressed that the legal framework requires all undertakings to perform an assessment of their specific risk profile when calculating their overall solvency need, taking into account the proportionality principle. According to EIOPA, the quality of stress testing including reverse stress tests and scenarios used in the ORSA assessments is another area for further improvement.

EIOPA's analysis was based on the active dialogue with and a survey conducted among the National Supervisory Authorities from each European Union Members State, as well as Iceland, Liechtenstein and Norway.

*Learn more about the Own Risk and Solvency Assessment (ORSA) (ADD LINK after Migration)*

<b>Date</b>	<b>Title</b>	<b>Type of content</b>
May 2022	Joint ESA Supervisory Statement on expectations regarding the 'What is this product' section in PRIIPs KID	Supervisory statement
Apr 2022	Supervisory statement on the supervision of run-off undertakings	Supervisory statement
Mar 2022	Updated Joint ESA Supervisory Statement on the application of the Sustainable Finance Disclosure Regulation	Supervisory statement

<b>Date</b>	<b>Title</b>	<b>Type of content</b>
Nov 2021	Supervisory statement on assessment of value for money of unit-linked insurance products under product oversight and governance	Supervisory statement
Jul 2021	Supervisory Statement on ORSA in the context of COVID-19	Supervisory statement
Jul 2021	Supervisory statement on supervisory practices and expectations in case of breach of the solvency capital requirement	Supervisory statement
Feb 2018	ESAs Statement on variation margin exchange under the EMIR RTS on OTC derivatives	Supervisory statement
Feb 2021	Joint ESA Supervisory Statement on the application of the Sustainable Finance Disclosure Regulation	Supervisory statement
Jul 2020	EIOPA Statement on Solvency II supervisory reporting in the context of COVID-19	Supervisory statement
Jul 2020	Supervisory Statement on the Solvency II recognition of schemes based on reinsurance with regard to COVID-19 and credit insurance	Publication, Supervisory statement
Jul 2020	Supervisory expectations on Product Oversight and Governance requirements amidst the COVID-19 situation	Publication, Supervisory statement
Apr 2020	EIOPA statement on dividends distribution and variable remuneration policies in the context of COVID-19	Recommendation, Supervisory statement
Feb 2020	Supervisory Statement on the impact of the ultra-low/negative interest rate environment	Publication, Supervisory statement
Oct 2019	Joint ESA Supervisory Statement - application of scope of the PRIIPs Regulation to bonds	Supervisory statement
Apr 2019	EIOPA Supervisory Statement - Application Proportionality Solvency Capital Requirement	Supervisory statement, Supervisory statement
Feb 2019	Joint ESA supervisory statement concerning the performance scenarios in the PRIIPs KID	Supervisory statement
Dec 2017	EIOPA's Supervisory Statement - Solvency II: Solvency and Financial Condition Report	Supervisory statement
Oct 2017	EIOPA Supervisory Assessment of the Own Risk and Solvency Assessment	Supervisory statement

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