

EIOPA supports the ESRB's call on enhanced monitoring of liquidity risks in the insurance sector

Statement

NEWS

DATE:

09 Jun 2020

EIOPA supports the views expressed by the European Systemic Risk Board (ESRB) regarding the importance of improving the monitoring of liquidity risks in the insurance sector with the aim to enhance Europe's preparedness to potential future shocks.

In this context, as a response to Covid-19, EIOPA already developed and put in place a proportionate framework to enhance the nature and the consistency of the information collected on liquidity risks. Until now there is no evidence of the materialisation of liquidity risks in the insurance sector.

Furthermore, as part of the Solvency II Review, EIOPA has consulted on concrete proposals to reinforce the macro-prudential dimension of the regime, including elements to strengthen the tools available to assess and monitor liquidity risks. These proposals will be assessed in the coming months in face of the Covid-19 evidence.

EIOPA will continue to contribute to the ESRB work in order to support the stability of the insurance sector and its contribution to the overall stability of the financial system.