



# EIOPA publishes its second Discussion Paper on Methodological Principles of Insurance Stress Testing

NEWS

DATE:

24 Jun 2020

The European Insurance and Occupational Pensions Authority (EIOPA) published today its second Discussion Paper on Methodological Principles of Insurance Stress Testing. In 2019 EIOPA initiated a process of enhancing its methodology for bottom-up stress testing which resulted in the first Methodological Paper setting out the methodological principles of insurance stress testing.

Based on a constructive dialogue and feedback received from stakeholders in the preparation of the first Methodological Paper, EIOPA follows the same approach and is now engaging with stakeholders to further enrich the stress test toolbox with additional elements to be potentially applied in future exercises. The second

Discussion Paper is structured in three sections addressing the following topics:

- Stress test framework on climate change
- Approach to liquidity stress testing
- Multi-period framework for the bottom-up insurance stress testing

EIOPA invites stakeholders to provide feedback to be considered in the final Paper. To this aim, it contains a series of questions to collect feedback particularly on technical topics linked to key elements of insurance stress testing.

The Discussion Paper is part of a broader process to enhance EIOPA's stress testing framework. In this context, EIOPA will work on specific stress testing related topics such as the assessment of liquidity positions under adverse scenarios, assessment of the vulnerabilities towards climate-related risks and potential approaches to multi-period stress tests.

The Discussion Paper is open for comments until Friday, 2 October 2020. Stakeholders are invited to submit their feedback via email by using the provided template. Contributions should be sent to the following email address:  
[eiopa.stress.test@eiopa.europa.eu](mailto:eiopa.stress.test@eiopa.europa.eu)

Contributions either not provided via the template, sent to a different email address or sent after the deadline will not be considered.

Unless requested otherwise, all contributions received will be published after the deadline for submission.

[Contribute to the discussion paper](#)