

Sustainable finance



Sustainable finance in the insurance and pensions sector

Sustainability is at the heart of the EU project and is key in ensuring long-term competitiveness of the EU economy and with it, the insurance and pensions sector.

Insurers and pension funds, as managers of large parts of society's risks and important long-term investors have a particular interest in mitigating the impact of climate change and facilitating the transition to a more sustainable and resilient economy.

By integrating sustainability considerations from an environmental, social and governance (ESG) perspective into the regulatory and supervisory framework for insurers, reinsurers, insurance distributors and pension providers, EIOPA contributes to the [European Commission's Sustainable Finance Action Plan](#) and to the 'Green Deal'.

EIOPA has been implementing an ambitious [strategic plan on sustainability and climate change](#) with the following objectives:

- Insurers should manage and mitigate ESG risks through their underwriting activity;
- Insurers and pension funds should reflect policyholder and pension scheme member preferences for sustainable investments, where relevant;
- Insurers and pension funds should adopt a sustainable approach in their investments based on principles of stewardship



EIOPA's projects in sustainable finance

EIOPA has been carrying out several projects to establish its policy on sustainable finance and to develop tools and methods for ESG risk analysis, with a view to embed ESG risk analysis in regulation as well as in supervision.

EIOPA publically consults and organizes regular Roundtables on Sustainable Finance, to discuss its proposals with participants from EIOPA's Stakeholder Groups, the European Commission, representatives of the insurance and pensions, asset management and rating industries, and representatives of consumers associations and civil society.

At its latest Roundtable on Sustainable finance, EIOPA stressed the importance for insurers and pension funds to manage sustainability risks as part of their risk management, as well as to contribute to reducing risks to sustainability for society.

[Learn more](#)

EIOPA is a member of the Network for Greening the Financial System and of the Sustainable Insurance Forum, as well as the European Commission's Sustainable Finance Platform for the taxonomy on sustainable economic activities.

In addition, EIOPA is aiming to improve its own environmental performance as an institution and to lower its impact on the environment. EIOPA has registered to the EMAS (Eco Management and Audit Scheme).

EIOPA's mandate on sustainable finance, following the review of its [founding regulation](#), is to:

- take into account sustainable business models and integration of ESG-related factors in the areas of its competence,
- develop criteria for identifying systemic risks and an adequate stress-testing regime, including potential environmental-related systemic risk,
- put in place a monitoring system, and
- develop common methodologies for union-wide assessment of resilience of financial undertakings taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.

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Supervisory statement on the ORSA in the context of COVID-19

The European Insurance and Occupational Pensions Authority (EIOPA) published today the supervisory statement on Own Risk and Solvency Assessment (ORSA) in the context of COVID-19 pandemic. With the aim to foster supervisory convergence, EIOPA in this supervisory statement focuses on the supervision...

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[ORSA](#)

Supervisory Statement on ORSA in the context of COVID-19

The supervisory statement on Own Risk and Solvency Assessment (ORSA) in the context of COVID-19 pandemic focuses on the supervision of the internal processes of undertakings that are necessary for having a good quality ORSA in place. The statement is accompanied with the resolution of comments from...

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Opinion on the use of risk mitigation techniques by insurance undertakings

The Opinion addresses the use of risk mitigation techniques and includes a set of recommendations addressed to national competent authorities (NCAs) to ensure convergent supervision. This Opinion raises awareness about the importance to have a proper balance between the risk effectively transferred...

OPINION| 12 JUL 2021|

SOLVENCY REQUIREMENTS | SUPERVISION

Supervisory statement on supervisory practices and expectations in case of breach of the Solvency Capital Requirement

The European Insurance and Occupational Pensions Authority (EIOPA) published today the statement on supervisory practices and expectations in case of breach of the Solvency Capital Requirement (SCR) . With this supervisory statement EIOPA aims to foster supervisory convergence in the situations...

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RISK ASSESSMENT | SOLVENCY REQUIREMENTS | SUPERVISION

Opinion on the use of risk mitigation techniques by insurance undertakings

The European Insurance and Occupational Pensions Authority (EIOPA) has published today an Opinion on the use of risk mitigation techniques by insurance undertakings . Since the implementation of Solvency II new risk mitigation techniques such as new reinsurance structures have appeared in the...

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SOLVENCY REQUIREMENTS | SUSTAINABILITY | IMPACT UNDERWRITING

EIOPA further contributes to sustainable finance

The European Insurance and Occupational Pensions Authority (EIOPA) issued today three publications as part of its activities on sustainable finance. The work addresses key issues of climate change-related risk for the insurance sector and continues to encourage insurers to play their role of...

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Report on non-life underwriting and pricing in light of climate change

The frequency and severity of natural catastrophes is expected to increase due to climate change. As underwriters of natural catastrophe risks, the (re)insurance sector can be particularly impacted by climate change. The increasing risk can lead to insurance coverage becoming unaffordable for the...

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Methodological paper on potential inclusion of climate change in the Nat Cat standard formula

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Climate change, catastrophes and the macroeconomic benefits of

insurance

This article considers the protective role that insurance can play in mitigating the negative macroeconomic and welfare impact of catastrophes, and the interplay between climate change and insurance coverage. The article first develops a theoretical model of insurance, climate change, catastrophes...

THEMATIC ARTICLE | 06 JUL 2021 |

TAXONOMY

IRSG advice on Taxonomy-related sustainability disclosures

SHG ADVICE | 12 MAY 2021 |

TAXONOMY

OPSG advice on Taxonomy-related sustainability disclosures

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Taxonomy-related product disclosures

The European Supervisory Authorities (ESAs) are organising an online public event on 29 April, from 13:00-17:30 During this event the ESAs will present their proposals and open a dialogue with stakeholders on draft Regulatory Technical Standards (RTS) on the content and presentation of product...

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EVENT | 29 APR 2021 |

RISK ASSESSMENT | IORP

Consultation on draft Opinion on the supervision of long-term risk assessment by IORPs providing DC schemes

EIOPA welcomes comments on the draft Opinion on the supervision of long-term risk assessment by IORPs providing DC schemes. The Opinion aims at enhancing supervisory convergence in the supervision of risk management by IORPs providing DC schemes. The Opinion is provided to the competent authorities...

CONSULTATION | 22 JUL 2021 | OPEN |

ORSA | SUSTAINABILITY

Opinion on the supervision of the use of climate change risk scenarios in ORSA

In this Opinion EIOPA sets out expectations on the supervision of the integration of climate

change risk scenarios by insurers in their ORSA.

OPINION| 19 APR 2021|

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Taxonomy-related product disclosures: public event on the European Supervisory Authorities consultation

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ORSA | COVID-19

IRSG advice on EIOPA's consultation on the Supervisory Statement on ORSA in the context of COVID-19

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RISK ASSESSMENT | IORP

OPSG position paper on IORP Governance and Risk Assessment, Risk
Assessment and Costs for Defined Contributions Pension scheme

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TAXONOMY | SUSTAINABILITY

ESAs consult on Taxonomy-related product disclosures

The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) have today issued a Consultation Paper seeking input on draft Regulatory Technical Standards (RTS) regarding disclosures of financial products investing in economic activities that contribute to an environmental investment...

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Joint consultation on taxonomy-related sustainability disclosures

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CONSULTATION| 12 MAY 2021| CLOSED|