



# EIOPA welcomes Solvency II proposals from the European Commission on sustainability

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The European Insurance and Occupational Pensions Authority (EIOPA) welcomes the [Solvency II proposals](#) of the European Commission to give mandates to EIOPA for further action on sustainable finance. EIOPA is convinced that these proposals would contribute positively to a transition into a more sustainable economy and that insurers, in their role as investors and risk managers, can facilitate it.

In particular, EIOPA welcomes the two mandates proposed by the European Commission regarding sustainability risks. EIOPA believes that it is important to explore prudential treatment of exposures related to assets or activities associated substantially with environmental or social objectives. Furthermore, a regular review of the scope and the calibration of parameters of the standard formula pertaining to natural catastrophe risk is an important step towards a more sustainable framework.

EIOPA is also pleased about the inclusion of climate change scenarios in the Own Risk and Solvency Assessment (ORSA), which reflects EIOPA's opinion earlier in 2021. EIOPA considers it essential to foster a forward-looking management of climate change-related physical and transition risks to ensure the long-term solvency and viability of the industry.