



# EIOPA commits to support the insurance and pensions sectors' efforts to tackle climate change

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On the occasion of the 2021 United Nations Climate Change Conference (COP26), EIOPA highlights its commitment to support the insurance and pensions sectors in tackling climate change. Along with other activities in the area of sustainable finance, EIOPA will finalize in 2022 the first European-wide dashboard on the natural catastrophe insurance protection gap. The dashboard will raise the awareness on the role of insurance against climate related perils and inform policy measures and private sector initiatives to secure the future availability and affordability of insurance coverage.

Climate change poses material risks to the assets and liabilities of insurers and pension providers. At the same time, given their role as society's risk managers and important long-term investors, insurers and pension funds have a unique opportunity and responsibility to address climate change-related challenges.

EIOPA expects the insurance and pensions industry to assess climate-related risks, for example as part of insurers' own risk and solvency assessment (ORSA) and undertakings will need to disclose how their activities contribute to the transition to an environmentally sustainable economy.

To protect consumers and safeguard financial stability, EIOPA's analysis of climate-related risks will strengthen the sectors' stewardship role for sustainable investments and promote risk-based insurance solutions for climate change adaptation and mitigation.

EIOPA has already taken a number of initiatives since 2018, including scenario and sensitivity analyses, the elaboration of disclosure requirements, and analysis on the insurability of climate change-related risks. Sustainable finance remains a strategic area of activity for EIOPA. In particular, EIOPA is deepening its work to:

- Integrate environmental, social and governance (ESG) risks in the prudential framework of insurers and pension funds
- Consolidate the macro and micro-prudential risk assessment of ESG risks
- Promote sustainability disclosures and a sustainable conduct of business framework
- Support the supervision of sustainability risks and supervisory convergence in the European Union
- Address protection gaps, and
- Promote EIOPA as a hub for open source modelling and data

Climate change does not stop at borders. As a member of the Network for Greening the Financial System (NGFS), the Sustainable Insurance Forum (SIF) and the International Association of Insurance Supervisors (IAIS), EIOPA cooperates with European and international supervisory and standard-setting bodies to establish convergent supervisory practices for climate change-related sustainability goals in the financial services sector.