



Sustainable finance roundtable: EIOPA announces its sustainable finance activities for the coming three years

NEWS
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The European Insurance and Occupational Pensions (EIOPA) is organising today its 5th Sustainable Finance Roundtable which gathers representatives from supervisors, industry, consumer organisations, and academia to discuss society's resilience to sustainability risks, the role of insurers and pensions and EIOPA's work in this area.

On this occasion, EIOPA announced its [three year plan](#) which will help to integrate sustainable finance across all areas of its own work. From 2022-2024, EIOPA defined its key areas of activity:

- Integration of sustainability risks in the prudential framework of insurers and pension funds by developing proposals for supervisory reporting of climate risks in Solvency II, analysing prudential treatment under Solvency II of assets and/or activities associated with environmental and/or social objectives. EIOPA also plans to report on underwriting practices and prudential

treatment of the integration of climate change-related adaptation measures in non-life insurance products.

- Consolidation of the macro/micro-prudential risk assessment of sustainability risks in tools and methodologies by conducting analysis on physical risk following earlier analysis on transition risk, and developing methodological principles of climate change insurance stress testing.
- Promotion of sustainability disclosures and a sustainable conduct of business framework by providing guidance on disclosures under the Sustainable Finance Disclosure Regulation and the Taxonomy Regulation as well on the application of the sustainability-related provisions in the insurance sales process and advice to the European Commission on measures to address greenwashing.
- Support supervision of sustainability risks and supervisory convergence in the EU by issuing application guidance and conducting a pilot exercise on the supervision of the use of climate change risk scenarios in ORSA, conducting cost and past performance analysis of sustainability products and providing guidance on the supervision of ESG conduct risks, including greenwashing.
- Addressing protection gaps by completing the dashboard on insurance protection gaps for natural catastrophes, analysing consumers' behaviour and contractual terms and conditions with regards to natural catastrophe insurance coverage.
- Promotion of the use of open source modelling and data in relation to climate change risks by analysing opportunities for the use of the open source modelling tools for natural catastrophes and developing ways to improve the collection of uniform and comprehensive insured loss data.
- Contribution to international convergence for the assessment and management of sustainability risks through international dialogues and fora on sustainability

At the same time, EIOPA is launching a [pilot exercise on climate change adaptation in non-life underwriting](#) and is inviting interested insurers to join. The exercise will help EIOPA to assess the appropriateness of the prudential treatment of climate-related adaptation measures in the technical provisions and solvency capital requirements for non-life underwriting risks under Solvency II. Furthermore, this will contribute to a better understanding of how insurers integrate climate-related adaptation measures in non-life insurance products.

Sustainable finance remains one of EIOPA's priority. The focus of EIOPA's work will continue to be evidence-based and shall help insurers and pension funds as managers of large parts of society's risks and important long term investors, to strengthen their roles in mitigating and adapting to the risks posed by climate change. At the same time, this should support the transition to a more sustainable and resilient economy.

Background

The key areas of activity build on EIOPA's deliverables on sustainable finance since 2018 and are reflected in the EU Commission Strategy for Financing the Transition to a Sustainable Economy and Climate Adaptation Strategy.