

EIOPA underlines its commitment to supporting the insurance and pensions sectors in tackling climate change

NEWS

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As the 2022 United Nations Climate Change Conference (COP27) draws to a close, the European Insurance and Occupational Pensions Authority underlines its commitment to supporting the insurance and pensions sectors in tackling climate change.

Greening the economy will not happen overnight, but every step makes a difference. Sustainability has long been a key pillar of our work, with the overall objective to strengthen the sustainability of the insurance and pensions sectors.

We are now moving from considering what we should do to defining how we should do things. Over the past year, we have provided guidance on the own risk and solvency assessment (ORSA), so that insurers adopt a forward-looking approach to

the management of sustainability risk. We are also providing guidance on the application of the Sustainable Finance Disclosures Regulation.

This year, our stress test will assess the resilience of Europe's occupational pensions sector against a climate change scenario.

We are also making step-by-step progress in our work on assessing the extent to which a dedicated prudential treatment of environmental or social objectives under Solvency II might be warranted, and expect to launch a consultation before the end of this year.

Finally, in the area of protection gaps, EIOPA will publish in December the first European-wide dashboard on the natural catastrophe insurance protection gap, in line with our commitment made in the confines of COP26 in Glasgow.

As part of our contribution to this year's conference, EIOPA has participated in European Union side events highlighting our supervisory initiatives in the area of climate risk and treatment of green investments; as well as the role of insurance and adaptation, focusing on the role of insurers as risk managers and investors.

We strongly support the theme of this year's COP27 conference: 'Together for Implementation.'

Climate change is an enormous global challenge and meeting the challenge requires a joint effort by many parties. The insurance and occupational pensions sectors play a vital role addressing climate-related challenges, as both risk managers for society and major long-term investors.

EIOPA therefore values its consultative dialogue with the insurance and pensions sectors as part of its work to support both sectors in their efforts to mitigate and adapt to climate change and other sustainability risks.

Furthermore, EIOPA continues to actively contribute to a range of bodies at national, European and international level, to foster a common approach to supervisory practices related to sustainability.

We are seeing at close hand the impact that climate change has on human, social and economic life. At EIOPA, we will continue to integrate sustainable finance across all areas of our work and to ensure that insurers and occupational pension funds incorporate sustainability risks in their risk management frameworks in a forward-looking and transparent way.

EIOPA will present a full overview of the latest developments in its work on sustainable finance at its Sustainable Finance Conference on 7 December.

FIND OUT MORE ABOUT THE SUSTAINABLE FINANCE CONFERENCE