

# CONSULTATION PAPER

on the proposal for Guidelines to specify  
further the range of scenarios in pre-emptive  
recovery planning

EIOPA-BoS-25/581  
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**eiopa**

European Insurance and  
Occupational Pensions Authority

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## RESPONDING TO THIS PAPER

EIOPA welcomes comments on the Consultation Paper on the proposal for Guidelines to specify further the range of scenarios of pre-emptive recovery planning.

Comments are most helpful if they:

- ▶ respond to the question stated, where applicable;
- ▶ contain a clear rationale; and
- ▶ describe any alternatives EIOPA should consider.

Please send your comments to EIOPA via EU Survey <https://ec.europa.eu/eusurvey/runner/d2b102df-bf3e-f76e-c5b2-82e1f0202152> by 20 March 2026, 23:59 CET.

Contributions not provided via EU Survey or after the deadline will not be processed. In case you have any questions please contact [IRRD\\_PC@eiopa.europa.eu](mailto:IRRD_PC@eiopa.europa.eu).

### Publication of responses

Your responses will be published on the EIOPA website unless: you request to treat them confidential, or they are unlawful, or they would infringe the rights of any third-party. Please, indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. EIOPA may also publish a summary of the survey input received on its website.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents and EIOPA's rules on public access to documents.<sup>1</sup>

### Declaration by the contributor

By sending your contribution to EIOPA you consent to publication of all non-confidential information in your contribution, in whole/in part – as indicated in your responses, including to the publication of the name of your organisation, and you thereby declare that nothing within your response is unlawful or would infringe the rights of any third party in a manner that would prevent the publication.

### Data protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. EIOPA, as a European Authority, will process any personal data in line with Regulation (EU) 2018/1725. More information on how personal data are treated can be found in the privacy statement at the end of this material.

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<sup>1</sup> [Public Access to Documents](#)

## CONSULTATION PAPER OVERVIEW & NEXT STEPS

EIOPA carries out consultations in the case of Guidelines and Recommendations in accordance to Article 16 (2) of the EIOPA Regulation.

This Consultation Paper presents the draft Guidelines and explanatory text.

The analysis of the expected impact from the proposed policy is covered under Annex I (Impact Assessment).

### Next steps

EIOPA will revise the proposal in view of the stakeholder comments received. EIOPA will publish a report on the consultation including the revised proposal and the resolution of stakeholder comments.

# 1. GUIDELINES

## INTRODUCTION

- 1.1. In accordance with Article 16 of Regulation (EU) No 1094/2010 (EIOPA Regulation)<sup>2</sup> and with Article 5(11), point (a), of Directive (EU) 2025/1<sup>3</sup>, EIOPA issues these Guidelines, to specify further, in cooperation with the European Systemic Risk Board, the range of scenarios of severe macroeconomic and financial stress relevant to the insurance and reinsurance undertaking's (hereafter: "undertakings") or group's specific conditions when assessing the credibility and feasibility of their pre-emptive recovery plans.
- 1.2. The guidelines apply in relation to the range of scenarios referred to in Article 5(7) of Directive (EU) 2025/1 for the purposes of pre-emptive recovery planning.
- 1.3. These Guidelines have been developed in line with EIOPA's views for better regulation and supervision<sup>4</sup>, thereby enhancing supervisory convergence through simpler, more efficient frameworks.
- 1.4. In accordance with Article 5(1) of Directive (EU) 2025/1, drawing up, keeping up-to-date and application of pre-emptive recovery plans are considered to be part of the system of governance within the meaning of Article 41 of Directive 2009/138/EC (Solvency II)<sup>5</sup>.
- 1.5. These Guidelines are addressed to supervisory authorities and financial institutions in accordance with Articles 4(1) and 4(2), point (i) of the EIOPA Regulation.
- 1.6. The Guidelines apply from 30 January 2027.
- 1.7. If not defined in these Guidelines, the terms have the meaning defined in the legal acts referred to in the introduction.

### Guideline 1 – Range of scenarios

- 1.8. The range of scenarios<sup>6</sup> of severe macroeconomic and financial stress relevant to the undertaking's or group's specific conditions should ensure coverage of:
  - a. a 'system-wide event', which means an event that risks having serious negative consequences for the financial system and/or the real economy;

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<sup>2</sup> Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC, (OJ L 331, 15.12.2010, p. 48–83).

<sup>3</sup> Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129 (OJ L, 2025/1, 8.1.2025).

<sup>4</sup> Bolder, Simpler, Faster: EIOPA's views for better regulation and supervision (EIOPA-BoS-25/118), 8 April 2025.

<sup>5</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), (OJ L 335, 17.12.2009, p. 1).

<sup>6</sup> Appendix 1 below provides an illustrative non-exhaustive list of the range of scenarios that undertakings or groups could consider when designing the scenarios in the pre-emptive recovery plan.

- b. an ‘idiosyncratic event’, which means an event that risks having serious negative consequences for a single undertaking, a single group or an undertaking within a group rather than for the financial system and/or the real economy;
  - c. a combination of system-wide and idiosyncratic events which occur simultaneously and interactively.
- 1.9. The complexity and features of the scenarios should be commensurate to the factors referred to in third subparagraph of Article 1(1) of the Directive (EU) 2025/1.
- 1.10. The range of scenarios should indicate whether the events included are:
  - a. ‘slow-moving’ which involve a gradual decline in the financial position of the undertaking or group, often due to ongoing internal issues or external market conditions, which may result in a slow deterioration in own funds. Such events could include a prolonged economic recession, gradual decline on certain economic sectors or a prolonged inflationary period. Undertakings and groups should consider whether these events are relevant to the undertaking’s or group’s business model; and
  - b. ‘fast-moving’ which involve sudden, unexpected events that may have a significant impact on the financial position of the undertaking. Such events could include a sudden default by a major counterparty, a natural catastrophe, pandemics, major cyberattack or a sudden crash in markets.

## Guideline 2 – Design principles for the range of scenarios

- 1.11. Scenarios used for pre-emptive recovery planning should be broader or more severe in nature compared to those used in the Own Risk and Solvency Assessment (ORSA), given the different approach and scope. While ORSA can provide a useful starting point for developing such scenarios, these may need to be adapted to ensure they meet the conditions set out in these Guidelines. Reverse stress test scenarios in ORSA may also be considered appropriate for pre-emptive recovery planning, insofar as they fulfil all the required conditions.
- 1.12. Each scenario should meet each of the following requirements:
  - a. the scenario should be based on severe macroeconomic and financial stress events that are most relevant to the undertaking or group concerned, taking into account, among other relevant factors, its size, business model, risk profile, interconnectedness, structure, and, in particular, any identified vulnerabilities or weaknesses of the undertaking or group;
  - b. the events foreseen in the scenario threaten the viability of the undertaking or group, unless remedial actions were implemented in a timely manner;
  - c. the scenario should be based on events that are plausible, provided that they are severe enough to materially impair the financial position of the undertaking, such as leading to the position where the capital regulatory requirements of the undertaking or group are breached or likely to be breached unless the remedial actions were successfully implemented.
- 1.13. The range of scenarios should assess the ability of the undertaking or group to withstand severe conditions, and events or scenarios should not be ruled out on the assumption that they are considered unlikely.

- 1.14. In case of groups, consideration should be given to their special features, including intra-group interconnectedness<sup>7</sup>. For the choice of scenarios and of remedial actions it may also be important to understand the potential sequence of defaults within the group by analysing how losses propagate through the group via ownership relations and default of intra-group financing arrangements.
- 1.15. Macro-economic scenarios should be applied to all legal entities of the group to assess the group's common exposures to risk and interdependencies.
- 1.16. Each scenario should include a quantitative assessment of the impact of the events, at a minimum, on the solvency position, liquidity and profitability and, where relevant, on the operational capability of the undertaking or group. The impact of events should be clearly reflected in the framework of indicators and inform the proposed remedial actions as needed.
- 1.17. The range of scenarios should cover a reasonable period which should reflect the size, risk profile and business model of the undertaking or group. In particular, the scenarios could range across short-, medium-, and long-term horizons or even extend over multiple periods where risks evolve over several stages.

### Guideline 3 – System-wide events

- 1.18. In designing scenarios based on system-wide events, the relevance of at least the following system-wide events should be taken into consideration:
  - a. exposure to common shocks affecting a significant share of the national market such as significant changes in the interest rate environment including effect on equity markets and credit spreads.
  - b. a macroeconomic downturn, such as those due to geopolitical risks, natural catastrophic events climate-related events or pandemics;
  - c. financial distress caused by geopolitical tensions affecting in particular a significant country of operation of the undertaking or the group;
  - d. the failure of significant counterparties affecting financial stability;
  - e. adverse movements in the price of assets in one or several markets;
  - f. regulatory risk resulting from changes in laws or regulations, severely disrupting in particular the business model of the undertaking or the group

### Guideline 4 – Idiosyncratic events

- 1.19. In designing scenarios based on idiosyncratic events the relevance of at least the following idiosyncratic events should be taken into consideration:
  - a. severe underwriting losses and/or under-reserving;
  - b. adverse movements in the prices of assets to which the undertaking or group is predominantly exposed;

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<sup>7</sup> See Article 3(1)(c) of the Commission Delegated Regulation (EU) No xyz/xyz on the content of (group) pre-emptive recovery plans and in Article 4(2) of Commission Delegated Regulation (EU) No xyz/xyz on criteria for pre-emptive recovery planning requirements and methods to be used when determining the market shares.

- c. severe liquidity outflows of liquidity, including but not limited to, margin calls, sharp increase of lapses, material claims;
- d. the failure of significant counterparties;
- e. a severe operational risk loss, including fraud and cyber attack;
- f. legal risk particularly resulting from the failure to comply with laws or regulations or other contractual obligations severely impacting the undertaking or group.

### Guideline 5 – Combination of System-wide and Idiosyncratic events

- 1.20. In designing scenarios based on a combination of system-wide and idiosyncratic events, the relevance of at least the events laid down in Guidelines 3 and 4 should be taken into consideration<sup>8</sup>.

### COMPLIANCE AND REPORTING RULES

- 1.21. This document contains Guidelines issued under Article 16 of the EIOPA Regulation. In accordance with Article 16(3) of the EIOPA Regulation, competent authorities and financial institutions are required to make every effort to comply with guidelines and recommendations.
- 1.22. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.,
- 1.23. Competent authorities are to confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the issuance of the translated versions.
- 1.24. In the absence of a response by this deadline, competent authorities will be considered as non-compliant to the reporting and reported as such.

### FINAL PROVISION ON REVIEWS

- 1.25. These Guidelines will be subject to a review by EIOPA.

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<sup>8</sup> Possible combinations of scenarios are:

- Geopolitical crisis + operational risk event (including cyber attack)
- Global/Regional financial crisis + Reinsurance counterparty default



## ANNEX I: IMPACT ASSESSMENT

### OBJECTIVES

In accordance with Article 29 of the EIOPA Regulation, EIOPA carries out, where relevant, an analysis of the costs and benefits during the policy development process. The analysis of costs and benefits is undertaken according to the impact assessment methodology.

The starting point for this impact assessment is that existing provisions following from the level 1 text are already in place and that the other provisions included in this consultation paper will be implemented as proposed. As a result, this assessment only considers the additional impact of each specific policy issue under discussion.

This impact assessment covers the inclusion of “Reputation” as a dimension against which the impact of scenarios is measured (policy issue A) and has been completed by EIOPA on a qualitative basis. In drafting these Guidelines, EIOPA has ensured alignment with the general objectives of the Directive (EU) 2025/1, as agreed by the legislators.

These general objectives are to enable supervisory authorities to:

- Reduce the likelihood of failure;
- Enhance preparation, coordination and cooperation;
- Ensure a proper functioning of the internal market and ensuring level playing field.

In view of the specific purpose of these Guidelines, the following more specific objectives were identified, for supervisory authorities to:

- Promote good risk management with scenarios and events included in the pre-emptive recovery plan being the most relevant to (re)insurance undertakings and groups while limiting the burden for the ones representing lower risk using a proportionate approach.
- Ensure level playing field through common minimum harmonisation rules with regard to the events included in the range of scenarios.
- Enable effective and efficient supervision, ensuring authorities are provided with the most relevant information to allow proper assessment of the range of scenarios.

## POLICY ISSUES

### **Policy Issue A: Inclusion of "Reputation" as a dimension against which the impact of scenarios is measured**

The Guidelines as per Article 5 (11) of IRRD should "further specify" in cooperation with the ESRB, the range of scenarios referred to in Article 5(7) which are included in the pre-emptive recovery plan as per Article 5(1). The impact of the scenarios should be assessed against a range of dimensions such as solvency position and liquidity. This policy issue considers the need to include "Reputation risk" as an additional dimension.

## POLICY OPTIONS

### **Policy Issue A: Inclusion of "Reputation" as a dimension against which the impact of scenarios is measured**

**Policy option A.1: Guidelines include "reputation" in dimensions against which the impact of scenarios is measured.**

Under this option, the impact of scenarios included in the pre-emptive recovery plan would be assessed on Solvency, Liquidity, Profitability, Operations aspects and the Reputation of the undertaking.

**Policy option A.2: Guidelines do not include "Reputation" in dimensions against which the impact of scenarios is measured.**

Under this option, the impact of scenarios included in the pre-emptive recovery plan would be assessed on Solvency, Liquidity, Profitability and Operations aspects.

## IMPACT OF THE POLICY OPTIONS

In assessing the impact of the policy options, special attention is devoted to the potential areas or functions where the costs could arise as a result of the different policy options. A more detailed estimation of the (monetary) costs would depend on several variables, such as the company-specific process and procedures, the size and nature of the entity and the applicable resolution framework at national level, including the potential contribution to financing arrangements.

**Policy Issue A: Inclusion of "Reputation" as a dimension against which the impact of scenarios is measured**

Policy option A.1 Guidelines include "Reputation" in dimensions against which the impact of scenarios is measured.		
<b>Costs</b>	Policyholders	No impact.
	Industry	The assessment of the impact in reputation presents important challenges since it is strictly qualitative. The risk management function and other functions or areas, which contribute to the drawing up of the pre-emptive recovery plan and hence the range of scenarios, would need to develop the qualitative reputational risk assessments which would complicate the quantitative evaluations and increase uncertainty. This would in turn require some coordination with other areas..Finally, additional budget would be required to support the additional resources, tools or consultants,to conduct the assessment, resulting in higher burden.
	Supervisors	Supervisory authorities would need to allocate additional resources to develop guidance and a methodology to assess the reputational risk, increasing workload to NCAs. Reviewing reputational assessments requires expert judgment and adds complexity which is further exacerbated from the fact that this risk is excluded from SCR according to the SII Directive This would subsequently increase supervisory costs.
	Other	No impact.
<b>Benefits</b>	Policyholders	No impact.
	Industry	The Risk management function of the undertaking would gain a more holistic/complete view of the assessment of the impact of scenarios on undertaking's different dimensions, including reputational risk. As a result, the undertaking may be better prepared for a crisis involving reputational issues.
	Supervisors	The supervisory authorities would be able to have a more comprehensive understanding of the undertaking's vulnerabilities as well as the impact of a scenario to the undertaking, resulting in more meaningful information provided to the supervisors.
	Other	No impact.

**Policy option A.2: Guidelines do not include "Reputation" in dimensions against which the impact of scenarios is measured.**

<b>Costs</b>	Policyholders	Policyholders may be indirectly affected if undertakings and supervisors fail to adequately assess and manage reputational risks.
	Industry	A scenario might have severe impact on the undertaking's reputation and the risk management area of the undertaking might be unprepared to effectively manage potential crisis that could emerge due to reputation risk. Financial impact could occur if reputational risks materialize unexpectedly.
	Supervisors	Supervisory authorities would have limited insight into undertaking's exposure to reputational risks.
	Other	No impact.
<b>Benefits</b>	Policyholders	No impact.
	Industry	The risk management function of the undertaking would face reduced complexity since there will not be a need to develop methodologies and processes to assess the impact on reputation. The financial department would face less costs and lower budget as fewer resources are needed. Overall there would be a more streamlined process, lower costs and a contained administrative burden.
	Supervisors	Supervision authorities would benefit from a less burdensome, simpler review process, reducing complexity in the evaluation. This would mean lower supervisory costs and workload as assessing the impact of scenarios would be more straightforward, aiding in simpler, more effective supervision.
	Other	No impact.

## COMPARISON OF POLICY OPTIONS

**Policy Issue A: Inclusion of "Reputation" as a dimension against which the impact of scenarios is measured**

EFFECTIVENESS (0,+,++)			
	Promote good risk management while limiting the burden for the re(insurance) undertakings representing lower risk.	Level playing field through common minimum harmonisation rules	Enable effective and efficient supervision of cross-border business
Policy option A.1	0	+	+
Policy option A.2	+	0	+

EFFICIENCY (0,+,++)			
	Promote good risk management while limiting the burden for the re(insurance) undertakings representing lower risk	Level playing field through common minimum harmonisation rules	Enable effective and efficient supervision of cross-border business
Policy option A.1	0	+	+
Policy option A.2	++	+	+

Under policy option A1, the inclusion of "Reputation" as a dimension in the impact of scenarios is expected to result in additional costs and burden for both the industry and supervisors who will need to conduct complex assessments. More specifically, the risk management function would face additional workload in order to develop the qualitative reputational risk assessments. This would in turn have an impact on the budget required to accommodate for this assessment. By contrast, policy option A2 would minimise costs and increase operational efficiencies as it would allow the industry and supervisors to focus on the risks that can be better monitored and measured in the pre-emptive recovery plan. As effects of reputation can be implicitly included in the assessment of primary risks, it

can be considered without being a standalone dimension. Reputational risk can also be assessed through scenario narratives which would give an indication to the undertaking and supervisors that a reputational issue could be anticipated.

## PREFERRED OPTION

Based on the impact assessment of the policy issue, the preferred option is to **not to include "Reputation" in dimensions against which the impact of scenarios is assessed as per policy option A.2.**

The assessment of the reputational impact presents important challenges for insurance undertakings and supervisors due to its qualitative and subjective nature. Therefore, it might complicate excessively the assessment of the remedial actions, even distorting the quantitative assessment of the remedial actions. Including "Reputation" in the dimensions against which the impact assessment of scenarios is assessed, could complicate the assessment process, creating operational inefficiencies and resulting in additional costs.

While the preferred approach results in limited insight into impact of scenarios on undertaking's reputation, it still promotes good risk management. Events included in the pre-emptive recovery plan remain focused on the most relevant to (re)insurance undertakings and groups, avoiding unnecessary burden on undertakings to conduct complex and potentially inconsistent impact assessments.

The preferred option is also consistent with SII under which reputational risks are excluded. Supervisors who may not be familiar with assessing reputational impact, can also avoid unnecessary burden to evaluate the appropriateness of the assessment, allowing them to focus on those features that can be better measured and monitored in the pre-emptive recovery plan. Reputational risks can still be addressed through qualitative means, such as within scenario analysis, without embedding them as a formal measurement dimension. Furthermore, a reputational risk materializing can be captured through the other quantifiable metrics such as Solvency. Reputational impacts can hence be implicitly captured through the effects on these primary risks.

This mitigates the risk of overlooking reputational considerations while avoiding the full costs and complexities of formal inclusion. Excluding "Reputation" ensures that the impact assessment remains focused on quantifiable dimensions, enabling both the industry and supervisors to allocate resources efficiently and support effective pre-emptive recovery planning without unnecessary complexity or regulatory burden.

## 2. EXPLANATORY TEXT

### GUIDELINE 1 – RANGE OF SCENARIOS

1.9 In accordance with Article 5(7) of the Directive (EU) 2025/01, the range of scenarios of severe macroeconomic and financial stress relevant to the undertaking's specific conditions should ensure coverage of:

a. a 'system-wide event', which means an event that risks having serious negative consequences for the financial system and/or the real economy;

b. an 'idiosyncratic event', which means an event that risks having serious negative consequences for a single undertaking, a single group or an undertaking within a group rather than for the financial system and/or the real economy; and

c. a combination of system-wide and idiosyncratic events which occur simultaneously and interactively.

1.10 The complexity and features of the scenarios should be commensurate, to the factors referred to in third subparagraph of Article 1(1) of the Directive 2025/1.

1.11 The range of scenarios should indicate whether the events included are:

a. 'slow-moving' which involve a gradual decline in the financial position of the undertaking or group, often due to ongoing internal issues or external market conditions, which may result in a slow deterioration in own funds. Such events could include a prolonged economic recession, gradual decline on certain economic sectors or a prolonged inflationary period. Undertakings and groups should consider whether these events are relevant to the undertaking's or group's business model; and

b. 'fast-moving' which involve sudden, unexpected events that may have a significant impact on the financial position of the undertaking. Such events could include a sudden default by a major counterparty, a natural catastrophe, pandemics, major cyberattack or a sudden crash in markets.

1.1 An illustrative non-exhaustive list of the range of scenarios that insurance or reinsurance undertakings or groups could consider when assessing the content of pre-emptive recovery plans is provided below.

1.2. This illustrative non-exhaustive list of the range of scenarios covers the three categories of required scenarios (1. system-wide scenarios, 2. idiosyncratic scenario, and 3. combination of system-wide and idiosyncratic scenario). The main categories and possible scenarios are listed in the first column.

1.3 Main risks associated with such scenarios are listed in the second column while the third column notes that direct or indirect impact of the scenarios could be tested against dimensions that the undertaking or group deems necessary to assess the type of impacts (e.g. capital, liquidity, profitability). The last column adds the dimension of slow or fast moving events that an undertaking could consider when designign their scenario(s).

#### 1.4 ILLUSTRATIVE NON-EXHAUSTIVE LIST OF THE RANGE OF SCENARIOS THAT UNDERTAKINGS COULD CONSIDER WHEN APPLYING ARTICLE 5(7) OF THE DIRECTIVE (EU) 2025/1

1. System-wide scenario	Main Risks	(In)Direct impact could be tested against capital decline, liquidity shortfall, treat to operational viability	Slow and/or fast moving events as a dimension to the scenario
<b>Global economic crisis</b>	market risk, operational risk, , underwriting risk, credit risk	All dimensions	Both
<b>Global pandemic and associated economic downturn</b>	market risk + underwriting risk	All dimensions	Both
<b>Increased geopolitical risk/ Regional or global geopolitical instability</b>	market risk, operational risk, , underwriting risk, credit risk	All dimensions	Both
<b>Major NatCat and/or cyber events and reinsurance default</b>	underwriting risk + operational risk +counterparty default risk	Mainly: Liquidity and Capital	Both
<b>Mass-Lapse Scenario and inadequate reinsurance coverage</b>	underwriting risk + +counterparty default risk+ liquidity risk	Mainly: Liquidity and Capital	Fast-moving
<b>Regulatory changes and/or policy decisions affecting the undertaking (including regulatory changes from other sectors)</b>	All risks	All dimensions	Both
<b>Prolonged inflationary period</b>	Market risk + underwriting risk	Mainly: Capital, Liquidity	Slow-moving



<b>Climate change</b>	Market risk + underwriting risk+credit risk+liquidity risk+operational risk	All dimensions	Slow-moving
<b>2. Idiosyncratic scenario</b>	<b>Main Risks</b>	<b>Material impacts tested against capital decline, liquidity shortfall, treat to operational viability</b>	<b>Slow and/or fast moving events</b>
<b>Material Cat event</b>	All risks	Capital, Liquidity. Profitability	Fast-moving events (a few days)
<b>Cyber Attack with severe loss of reputation<sup>9</sup></b>	market risk, operational risk,	capital, own funds, liquidity, asset quality, profitability	Both
<b>Partial or full failure of Group entities connected with the undertaking (e.g reinsurers, investment funds, banks)</b>	group risk, credit risk, default on reinsurers liabilities	Capital, liquidity, asset quality, profitability	Both
<b>Deliberate (systematic) under-reserving or Significant underwriting losses</b>	operational risk, reserving risk	Liquidity and Capital	Both
<b>On-going low profitability due to poor underwriting or high cost ratios</b>	Underwriting risk, operational risk, liquidity risk, capital risk	Capital, Liquidity. Profitability	Slow-moving
<b>3. Combination of scenarios: System-Wide + Idiosyncratic</b>	<b>Main Risks</b>	<b>Material impacts tested against capital decline, liquidity shortfall, treat to operational viability</b>	<b>Slow and/or fast moving events</b>
<b>Geopolitical crisis + operational risk event (including Cyber)</b>	Market Risk, Underwriting Risk, Operational Risk	capital, own funds, liquidity, asset quality, profitability	Both
<b>Global/Regional Financial Crisis + reinsurance counterparty default</b>	All risks	capital, own funds, liquidity, asset quality, profitability	Both
<b>Sovereign default + natural catastrophe and/or Cyber event</b>	underwriting risk, environmental risk, credit risk, geopolitical risk, operational risk	capital, own funds, liquidity, asset quality, profitability	Fast-moving
<b>Reputational risk scenario deriving from a liquidity crisis (originating from economic downturns)</b>	Liquidity risk	Liquidity and Capital	Fast-moving

<sup>9</sup> Loss of confidence is a key amplifier in the ESRB systemic cyber risk model

high-yield and high-inflation scenario <sup>10</sup>	Market Risk, Underwriting Risk	Capital, Liquidity	Both
<b>On going low profitability(e.g. due to poor underwriting or high cost ratios) and/or trading losses and overall deterioration of own funds driven by prolonged inflationary period</b>	Underwriting risk, operational risk, liquidity risk, capital risk	Capital, Liquidity. Profitability	Slow-moving

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<sup>10</sup> See [EIOPA 2024 stress test](#).

## ANNEX II: OVERVIEW OF QUESTIONS FOR CONSULTATION

The questions are set out in an EU-Survey (<https://ec.europa.eu/eusurvey/runner/d2b102df-bf3e-f76e-c5b2-82e1f0202152>).



## PRIVACY STATEMENT

### ► Introduction

1. The European Insurance and Occupational Pension authority (EIOPA) is committed to protecting individuals' personal data in accordance with Regulation (EU) 2018/1725<sup>11</sup> (further referred as "the Regulation").
2. In line with Articles 15 and 16 of the Regulation, this privacy statement provides information to the data subjects relating to the processing of their personal data carried out by EIOPA.

### ► Purpose of the processing of personal data

3. Personal data is collected and processed to manage online public consultations EIOPA launches, and to conduct online surveys, including via online platform EUSurvey<sup>12</sup>, and to facilitate further communication with participating stakeholders (e.g., when clarifications are needed on the information supplied or for the purposes of follow-up discussions that the participating stakeholders may agree to in the context of the consultations or surveys).
4. The data will not be used for any purposes other than the performance of the activities specified above. Otherwise you will be informed accordingly.

### ► Legal basis of the processing of personal data and/or contractual or other obligation imposing it

5. The legal basis for this processing operation are the following :
  - Regulation (EU) 1094/2010, and notably Articles 8, 10, 15, 16, 16a, 29 and 71 thereof
  - EIOPA's Public Statement on Public Consultations
  - EIOPA's Handbook on Public Consultations

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<sup>11</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39–98.

<sup>12</sup> For more information on the processing of personal data in EUSurvey, please see the [dedicated privacy statement](#).

6. In addition, in accordance with Article 5(1)(a) of the Regulation, processing is lawful as it is necessary for the performance of a task carried out in the public interest.

► **Controller of the personal data processing**

7. The (internal) controller responsible for the processing of personal data is the Head of EIOPA's Risks and Financial Stability Department.

8. Address and email address of the controller:

Westhafen Tower, Westhafenplatz 1

60327 Frankfurt am Main

Germany

[DataController@eiopa.europa.eu](mailto:DataController@eiopa.europa.eu)

► **Contact detail of EIOPA's Data Protection Officer (DPO)**

9. Westhafenplatz 1, 60327 Frankfurt am Main, Germany

[dpo@eiopa.europa.eu](mailto:dpo@eiopa.europa.eu)

► **Types of personal data collected**

10. The following personal data might be processed:

- Contact details (name, email address, phone number).
- Employment details (company and job title).

► **Recipients/processors of the personal data collected**

11. Data will be collected and disclosed to the relevant staff members part of the Department/Unit in charge of the consultation/surveys and also to other EIOPA's staff on a need-to-know basis (e.g IT staff, security officer).

► **Retention period**

12. Personal data collected are kept by until the finalisation of the project the public consultation or the survey relate to.
13. The personal data collected in EUSurvey are deleted from EUSurvey as soon as the period to provide answers elapsed.

► **Transfer of personal data to a third country or international organisations**

14. No personal data will be transferred to a third country or international organisation. The service provider is located in the European Union.

► **Automated decision-making**

15. No automated decision-making including profiling is performed in the context of this processing operation.

► **What are the rights of the data subject?**

16. Data subjects have the right to access their personal data, receive a copy of them in a structured and machine-readable format or have them directly transmitted to another controller, as well as request their rectification or update in case they are not accurate. Data subjects also have the right to request the erasure of their personal data, as well as object to or obtain the restriction of their processing.

17. Where processing is based solely on the consent, data subjects have the right to withdraw their consent to the processing of their personal data at any time.

18. Restrictions of certain rights of the data subject may apply, in accordance with Article 25 of Regulation (EU) 2018/1725.

19. For the protection of the data subjects' privacy and security, every reasonable step shall be taken to ensure that their identity is verified before granting access, or rectification, or deletion.

20. Should the data subjects wish to exercise any of the rights provided in paragraphs 16 and 17 above, please contact EIOPA's DPO ([dpo@eiopa.europa.eu](mailto:dpo@eiopa.europa.eu)).

► **Who to contact if the data subjects have any questions or complaints regarding data protection?**

21. Any questions or complaints concerning the processing of the personal data can be addressed to the internal Data Controller ([DataController@eiopa.europa.eu](mailto:DataController@eiopa.europa.eu)) or EIOPA's DPO ([dpo@eiopa.europa.eu](mailto:dpo@eiopa.europa.eu)).

22. Alternatively, the data subjects can have recourse to the **European Data Protection Supervisor** ([www.edps.europa.eu](http://www.edps.europa.eu)) at any time, as provided in Article 63 of the Regulation.