

PRESS RELEASE

EIOPA issues Recommendations to National Competent Authorities to address vulnerabilities identified by the 2018 Insurance Stress Test

- *EIOPA analysed the Stress Test results at individual group level*
- *Recommendations consider the risks and vulnerabilities identified by the 2018 Insurance Stress Test*
- *Recommendations are addressed to the National Competent Authorities of the European Union*

Frankfurt, 26 April 2019 - Today, the European Insurance and Occupational Pensions Authority (EIOPA) published its [2018 Insurance Stress Test Recommendations](#).

The Recommendations consider the risks and vulnerabilities identified through the findings of the 2018 Insurance Stress Test and are addressed to the National Competent Authorities (NCAs). As a first step, EIOPA analysed the 2018 Insurance Stress Test results at individual group level and, as a second step categorised the Recommendations as follows:

- *Supervisory convergence and financial stability (Recommendations 1 - 3)*

EIOPA highlights the need to strengthen the supervision of the affected groups and requests the NCAs to review and, where necessary, to challenge capital and risk management strategies of those groups. Furthermore, NCAs should require groups to identify the range of possible management actions, assess whether these actions are realistic and consider potential second-round effects.
- *Efficiency and enhancing the stress test exercise process (Recommendation 4)*

EIOPA requests NCAs to check the adequacy and flexibility of systems and risk models used by groups for stress testing. Furthermore, for future stress tests NCAs should ensure sufficient resources.
- *Cross-sectoral coordination (Recommendation 5)*

EIOPA calls upon NCAs to enhance cooperation and information sharing with relevant authorities, such as the ECB Single Supervisory Mechanism and/or other national supervisory authorities of affected insurers that are part of a financial conglomerate.

Gabriel Bernardino, Chairman of EIOPA, said: *“The objective of these Recommendations is to identify a set of supervisory actions deemed necessary to address risks and vulnerabilities and to strengthen the ongoing supervision of the relevant insurance groups with the aim of ensuring market stability. EIOPA will monitor the implementation of the Recommendations by the NCAs.”*

The 2018 Insurance Stress Test Recommendations can be obtained via this [link](#).

Notes to the Editors

The **results of the 2018 Insurance Stress Test exercise** are accessible via [this link](#) to EIOPA’s Website.

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established on 1 January 2011 as a result of the reforms to the structure of supervision of the financial sector in the European Union. EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union. EIOPA’s core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.