EIOPA-BoS/19-372
26 July 2019

RISK DASHBOARD

July 2019[1]

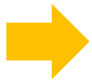
Risks	Level	Trend
1. Macro risks	High	→
2. Credit risks	Medium	→
3. Market risks	High	→
4. Liquidity and funding risks	Medium	→
5. Profitability and solvency	Medium	↗
6. Interlinkages and imbalances	Medium	→
7. Insurance (underwriting) risks	Medium	→
Market perceptions	**Level**	**Trend**
8. Market perceptions	Medium	→

Key observations:

- Risk exposures for the European insurance sector remain overall stable.
- Macro and market risks are now at a high level due to a further decline in swap rates and lower returns on investments in 2018 which put strain on those life insurers offering guaranteed rates. The low interest rate environment remains a key risk for the insurance sector.
- Credit risks continue at medium level with broadly stable CDS spreads for government and corporate bonds.
- Profitability and solvency risks increased due to lower return on investments for life insurers observed in year-end 2018 data; SCR ratios are above 100% for most undertakings in the sample even when excluding the impact of the transitional measures.
- Market perceptions were marked by a performance of insurers' stocks broadly in line with overall equity markets, while median CDS spreads have slightly increased. No change was observed in insurers' external ratings and rating outlooks.

[1] Reference date for company data is Q1-2019 for quarterly indicators and 2018-YE for annual indicators. The cut-off date for most market indicators is mid-June 2019.

Macro risks

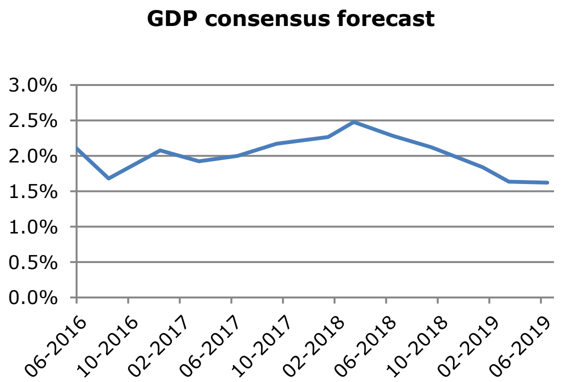


Level: high

Trend: constant

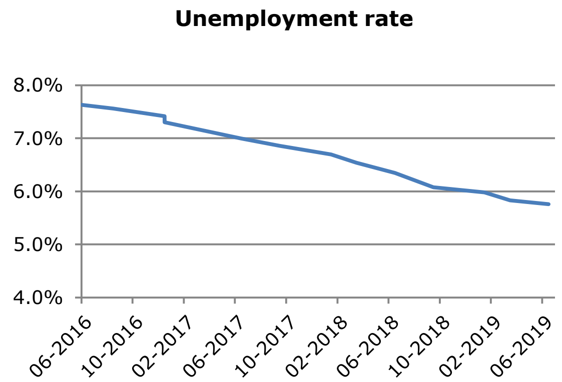
Macro risks are now at a high level. Since the April 2019 assessment, swap rates have further declined for all the currencies considered (EUR, GBP, CHF, USD). The indicator on credit-to-GDP gaps has deteriorated due to a more negative gap in the Euro area. Key policy rates remained unchanged and the rate of expansion of major central banks' (CB) balance sheets is now close to zero. Recent monetary policy decisions suggest that some degree of monetary accomodation is still to be expected for the forseeable future.

The indicator on forecasted GDP growth hovers at the low level reached in the previous quarter, slightly tilted further on the downside.



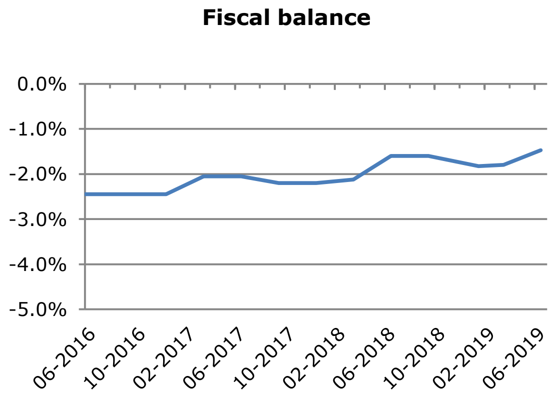
Note: Average of forecasts four quarters ahead, weighted average for Euro area, United Kingdom, Switzerland, United States, BRICS.
Source: Bloomberg Finance L.P.

The indicator on unemployment rates remained at historically low levels, compared to the previous quarters.



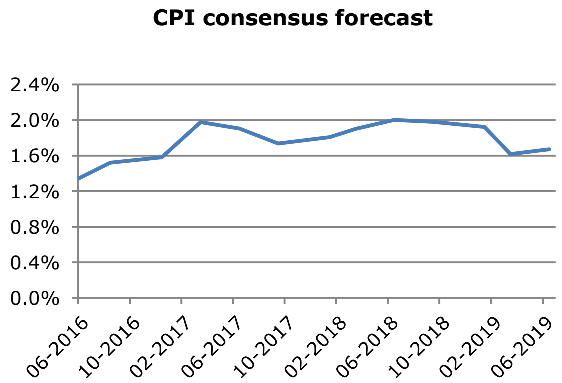
Note: Weighted average for EU, Switzerland, United States, China.
Source: Bloomberg Finance L.P.

The indicator on fiscal balances remains negative but it has slightly improved compared to the previous quarter from -1.8% to -1.5%.



Note: Weighted average for EU and United States.
Source: Bloomberg Finance L.P.

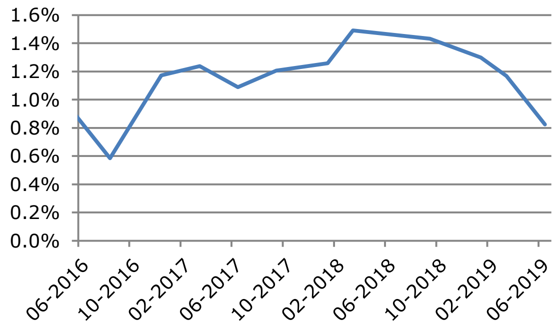
The indicator on forecasted inflation hovers around the previous quarter, standing at 1.7% (+0.06 p.p.).



Note: Average of forecasts four quarters ahead, weighted average for Euro area, United Kingdom, Switzerland, United States, BRICS.
Source: Bloomberg Finance L.P.

Swap rates continued to decrease compared to the previous quarter, with the aggregate indicator moving from 1.2% to 0.8%. This is due to declines in swap rates for all the currencies considered.

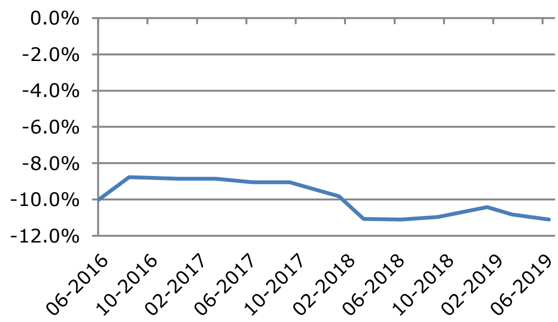
10Y swap rates



Note: Weighted average for EUR, GBP, CHF, USD.
Source: Bloomberg Finance L.P.

The indicator on credit-to-GDP gap deteriorated slightly from the previous quarter, primarily reflecting the larger negative gap in the Euro area (-13.1 p.p. compared to -12.4 p.p. in the previous assessment).

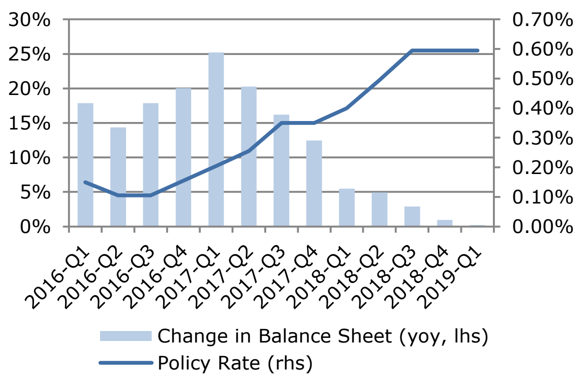
Credit-to-GDP gap



Note: Weighted average for Euro area, United Kingdom, Switzerland, United States, China.
Source: BIS

Key policy rates have remained constant since January's assessment. The rate of expansion of CB's balance sheets decreased in the Euro Area and US, with the aggregate indicator declining from 0.9% in 2018Q4 to 0.2% in 2019Q1.

State of monetary policy

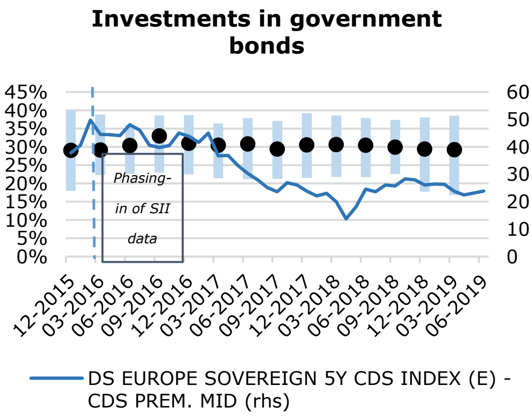


Note: Weighted average for Euro area, United Kingdom, Switzerland, United States.
Source: Bloomberg Finance L.P.

Credit risks	
	Level: medium
	Trend: constant

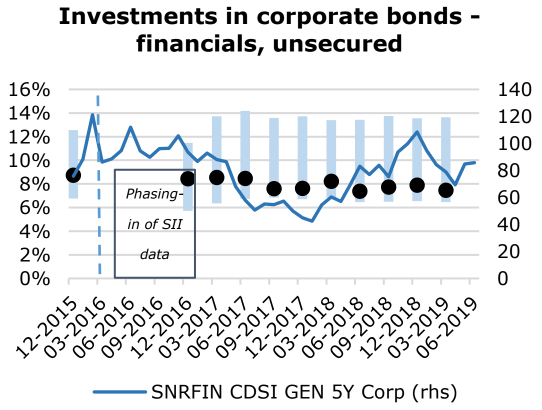
Credit risks remained stable at medium level. Since the previous assessment, spreads have remained broadly stable for all corporate bond segments except financials (unsecured). The average credit quality of insurers' investments remained broadly stable, corresponding to an S&P rating between AA and A, while the share of below investment grade assets remains limited.

Overall CDS spreads for European sovereign bonds remained broadly stable since the previous quarter. Insurers' exposures to this asset class remain close to 29%.



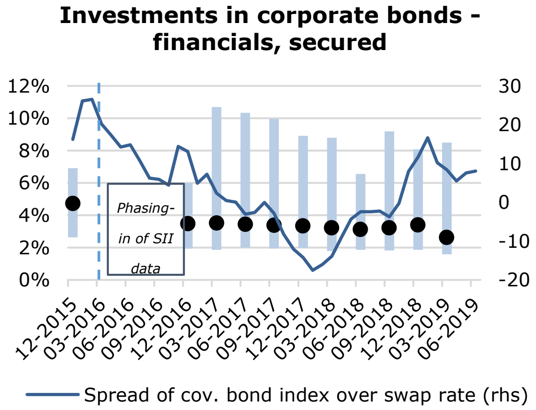
Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure. Source: Bloomberg Finance L.P., QFG ($N_{2019\ Q1}$=95); QFT prior to 2016

Spreads for unsecured financial bonds increased since March. Median exposures to this bond segment are at 7.5% in Q1-2019.



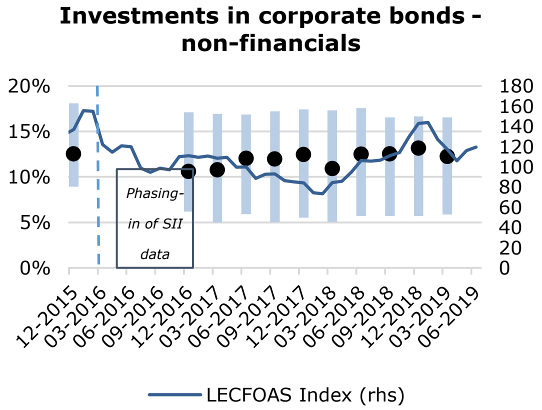
Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure. Source: Bloomberg Finance L.P., QFG ($N_{2019\ Q1}$=66); QFT prior to 2016

Spreads for secured financial bonds have remained broadly stable since the previous assessment. Median exposures are at 2.6% in Q1-2019.



Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure. Source: Bloomberg Finance L.P., QFG ($N_{2019\ Q1}$=66); QFT prior to 2016

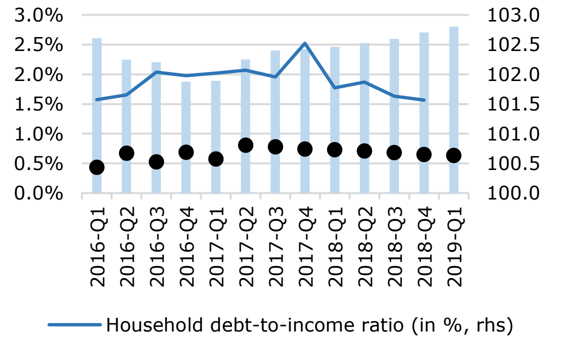
Spreads for non-financial corporate bonds have remained broadly unchanged since March. Median exposure to this bond segment decreased to 12.3% from 13% of Q4-2018.



Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure. Source: Bloomberg Finance L.P., QFG ($N_{2019\ Q1}$=66); QFT prior to 2016

Median exposures to loans and mortgages decreased slightly to 0.6% from 0.7%. The household debt-to-income ratio continued to slightly decrease, driven only by the UK in Q4-2018.

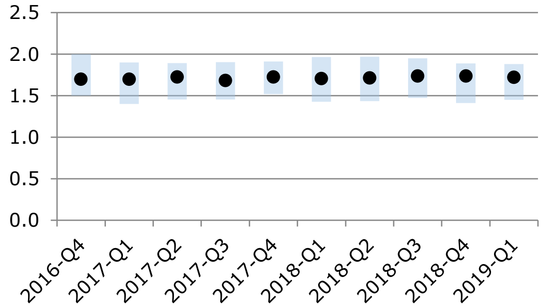
Investments in loans and mortgages to individuals



Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure (weighted average of EA and UK).
Source: QFG ($N_{2019\ Q1}$=95), ECB

The average credit quality of investments remained broadly stable, corresponding to an S&P rating between AA and A.

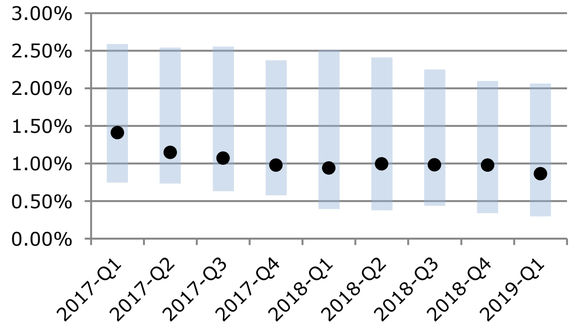
Average rating of investments (credit quality step)



Note: Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2019\ Q1}$=93)

The median share of below investment grade assets (with a credit quality step higher than 3) in insurers' portfolios is limited, standing at 0.9% in Q1-2019.

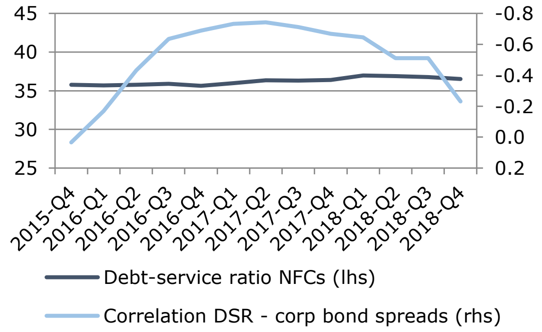
Share of below investment grade assets (credit quality step > 3)



Note: Distribution of indicator (interquartile range, median). Includes both internal and external credit ratings.
Source: QFG ($N_{2019\ Q1}$=95)

The correlation between the debt-service ratio of non-financial corporations and corporate bond spreads decreased since the previous quarter, continuing to be negative.

Fundamental credit risk



Note: Correlation between the debt-service ratio of non-financial corporates and the spread of non-financial corporate bonds based on a 12-quarter rolling window.
Source: BIS, Bloomberg Finance L.P.

Market risks

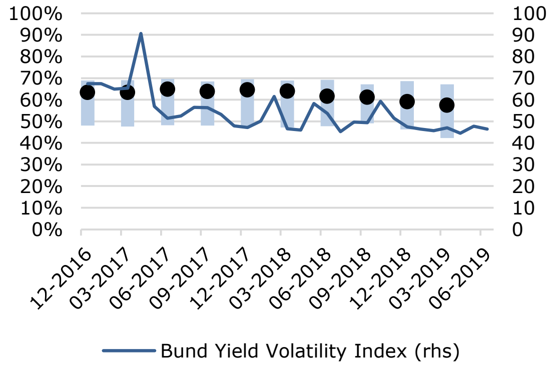
Level: high

Trend: constant

Market risks are now at a high level. Volatility of the largest asset class, bonds, remained broadly stable compared to the January's assessment, whereas equity market volatility spiked in June 2019. Newly available annual information shows a decline in the spread of investment returns over the guaranteed rates to negative values in 2018, mainly due to lower investment returns. The mismatch between the duration of assets and liabilities remained broadly stable in the same period.

Bond market volatility has remained stable since the previous assessment, tilted to the downside. Median exposures to bonds remain close to 60% in Q1-2019.

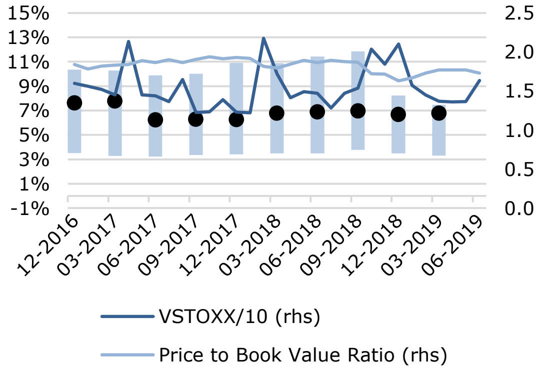
Investments in bonds



Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure.
Source: Bloomberg Finance L.P., QFG ($N_{2019\ Q1}$=95)

Volatility of equity prices increased in June 2019, while remaining stable at a lower level in the previous two months. The price-to-book value remained overall stable. Median exposures to equity are broadly unchanged at 7%.

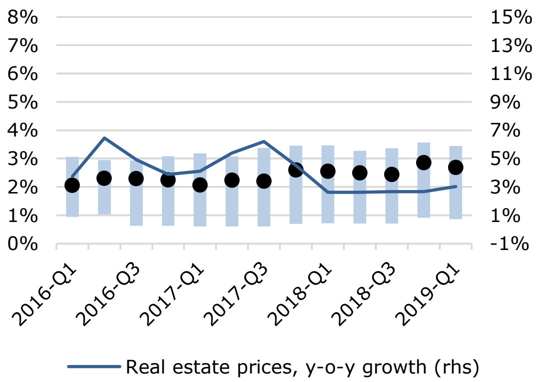
Investments in equity



Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure.
Source: Bloomberg Finance L.P., QFG ($N_{2019\ Q1}$=95); QFT prior to 2016

Median exposures to property remain close to 3% of total assets. In Q1-2019, the indicator on annual growth in real estate prices increased from 2.6% to 3%.

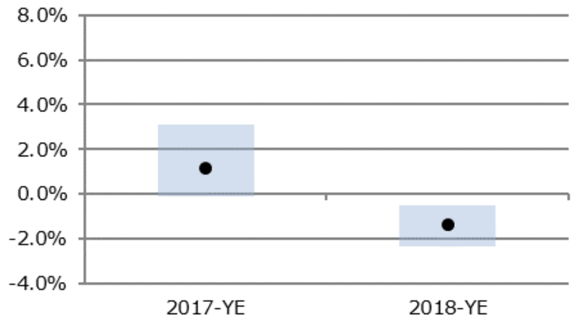
Investments in property



Note: Left scale shows the distribution of exposures (inter-quartile range and median), right scale the risk measure.
Source:QFG ($N_{2019\ Q1}$=95); QFT prior to 2016; ECB

The median spread of investment returns over guaranteed rates declined since the last year from 1.1% to -1.4%. This is mainly justified by lower returns on investments in 2018. This indicator is included for the first time in the July 2019 Risk Dashboard and is based on year end 2017 and 2018 data.

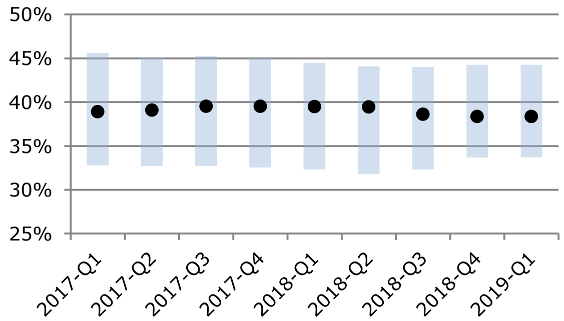
Spread of investment return over guaranteed interest rate



Note: Distribution of indicator (interquartile range, median).
Source: ARS (N_{2018}=476)

The indicator on concentration of assets remained overall stable, with the median Herfindhahl index stable at 38.3%.

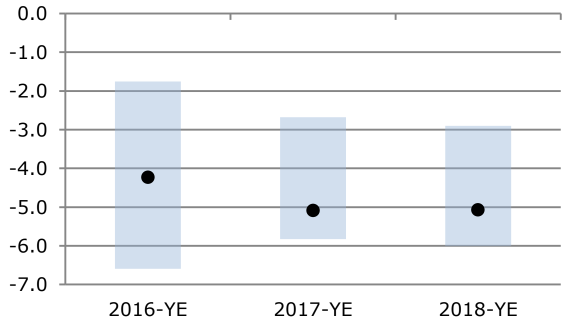
Concentration of assets



Note: Herfindal Hirshman index computed on six balance sheet asset classes (government bonds, corporate bonds, equities, properties, cash and cash equivalents and loans and mortgages). Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2019\ Q1}$=98)

The distribution of the duration mismatch indicator remained quite stable from 2017 to 2018, with the median mismatch standing at around -5 years. Duration mismatch is based on the modified duration of the fixed income assets and of the liabilities. Duration of the liabilities does not take into account optionalities such as future profit participation. This indicator is included for the first time in the July 2019 Risk Dashboard and is based on year end 2016-2018 data.

Duration mismatch (years)



Note: Distribution of indicator (interquartile range, median).
Source: Assets QFG ($N_{2018\ Q4}$=92); Liabilities AFG (N_{2018}=92)

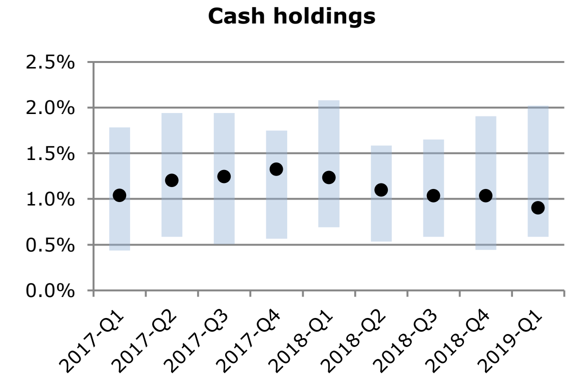
Liquidity and funding risks

Level: medium

Trend: stable

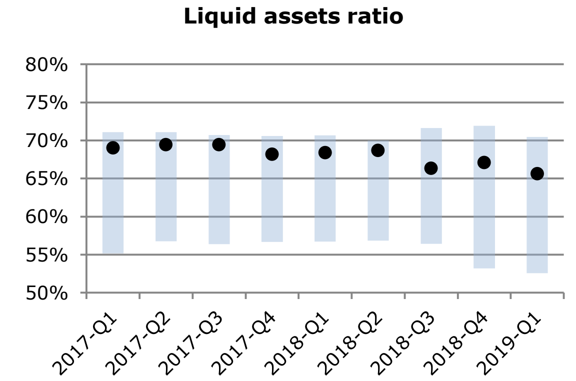
Liquidity and funding risks remained stable at medium level. Liquidity indicators have remained broadly unchanged since the previous quarter, while funding indicators such as the average ratio of coupons to maturity and the average multiplier for catastrophe bond issuance increased.

The distribution of the indicator on cash holdings has slightly decreased since Q4-2018, with a median value around 0.9% of total assets.



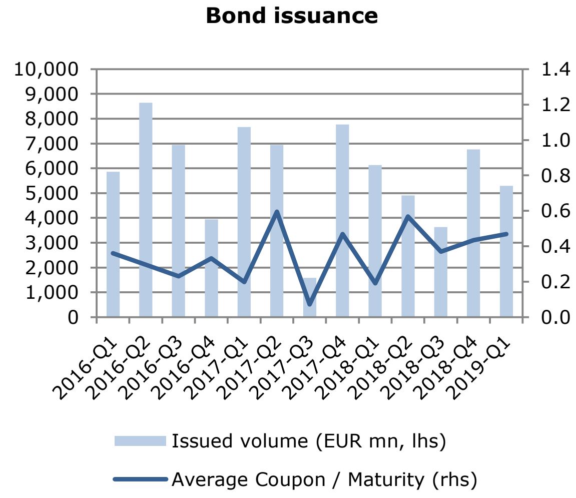
Note: Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2019\ Q1}$=95)

The median liquid assets ratio slightly decreased to 65.6% from 67.1%.



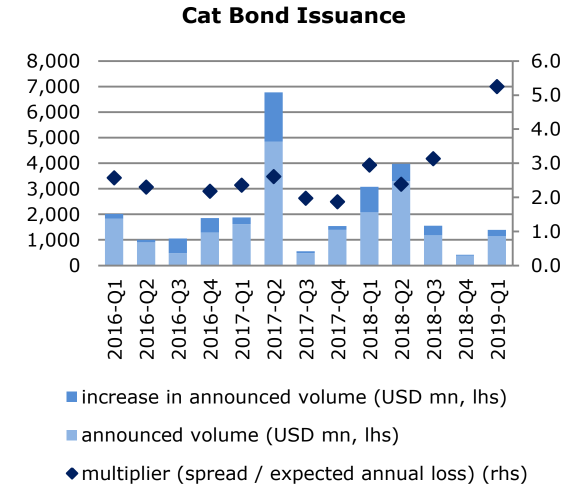
Note: Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2019\ Q1}$=95)

Bond issuance volumes decreased in Q1-2019 by almost 1.5 billion EUR to 5.3 billion. The average ratio of coupons to maturity continued to increase to 0.47.



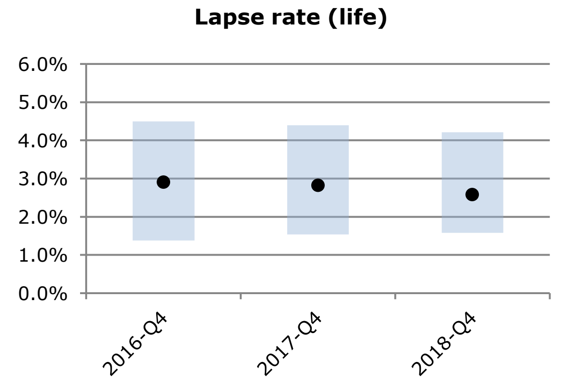
Note: Volume in EUR mn.
Source: Bloomberg Finance L.P

Catastrophe bond issuance increased in Q1-2019 to USD 1,398 million. Additionally, issued volumes were 22% higher than announced and the average multiplier rose to 5.2.



Note: Volumes in USD mn, spread in per cent
Source: http://artemis.bm

Lapse rates in life business remained overall unchanged across the whole distribution since 2017. Median lapse rates slightly decreased to around 2.6% (-0.2 p.p.).



Note: Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2018\ Q4}$=88)

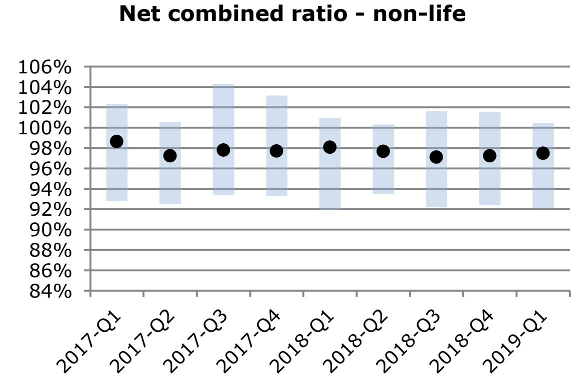
Profitability and solvency

Level: medium

Trend: increase

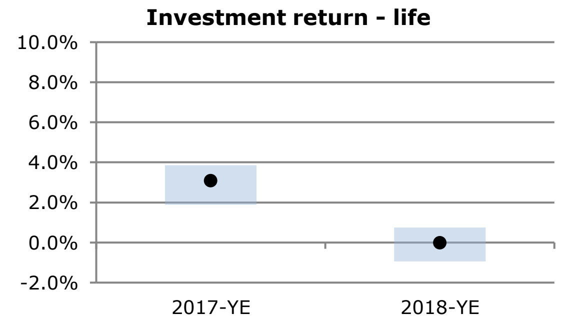
Profitability and solvency risks remain at medium level but show an increasing trend. This is mainly due to newly available data on the return on investments for life solo undertakings, which was considerably lower in 2018 than in the preceding year. SCR ratios are above 100% for the majority of insurers in the sample even when excluding the impact of the transitional measures on technical provisions and interest rates. The proportion of Tier 1 capital in total own funds remains high across the whole distribution and the share of expected profit in future premiums in eligible own funds is below 15% for most undertakings in the sample.

The distribution of the net combined ratio for non-life business has remained broadly stable in Q1-2019, with the median ratio standing at 97.5%.



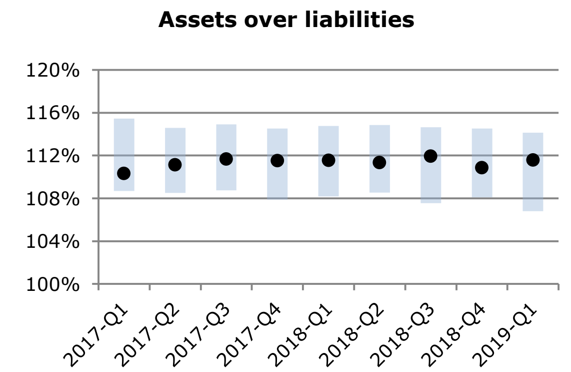
Note: Distribution of indicator (interquartile range, median).
Source: QRS ($N_{2019\ Q1}$=1,360)

The whole distribution of the return on investments for life solo undertakings has declined since 2017, with a null median return in 2018 (-3.1 p.p. than in the previous year). This decline is mostly driven by government and corporate bonds, equity and collective investment undertakings and is broadly in line with observed declines in market prices for these asset classes. This indicator is included for the first time in the July 2019 Risk Dashboard and is based on year end 2017 and 2018 data.



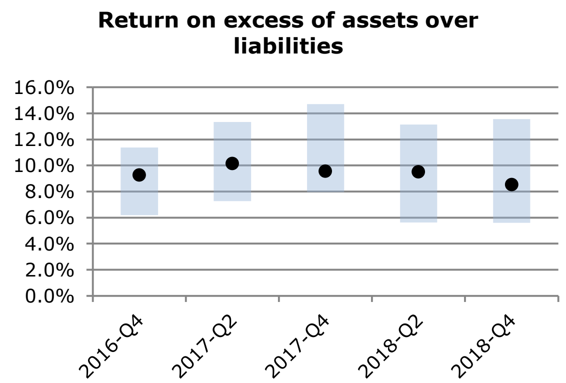
Note: Distribution of indicator (interquartile range, median).
Source: ARS (N_{2018}=517)

The median value of the assets over liabilities ratio increased in Q1-2019 from 110.8% to 111.6%, though the lower tail of the distribution has shifted downwards by 1.3 p.p. (to 106.8%).



Note: Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2019\ Q1}$=95)

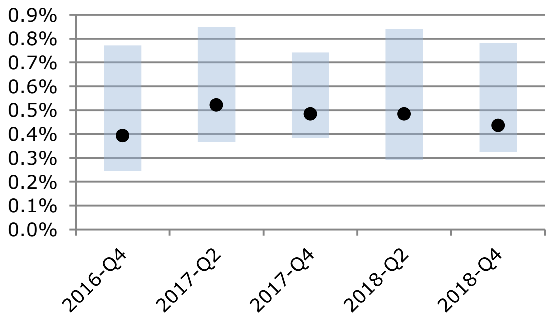
The median return on excess of assets over liabilities (based on statutory accounts) has decreased by 1 p.p. when compared to the first half of the year (annualized) and end-2017.



Note: Distribution of indicator (interquartile range, median).
Q2 figures annualised.
Source: QFG and QRG ($N_{2018\ Q4}$=86)

The median return on assets (based on statutory accounts) remained broadly stable since Q4-2017, standing at 0.4%.

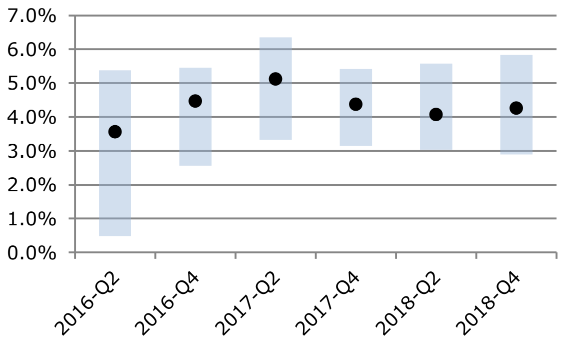
Return on assets



Note: Distribution of indicator (interquartile range, median). Q2 figures annualised.
Source: QFG and QRG ($N_{2018\ Q4}$=83)

The median return to premiums indicator has slightly improved in Q4-2018 when compared to Q2-2018, by 0.2 p.p. to 4.3%.

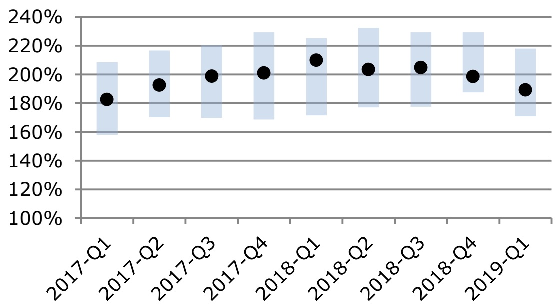
Return to premiums



Note: Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2018\ Q4}$=93)

The whole distribution of the SCR ratio of the groups in the sample has moved downwards, with the median ration declining by -9.4 p.p. to 189.2%.

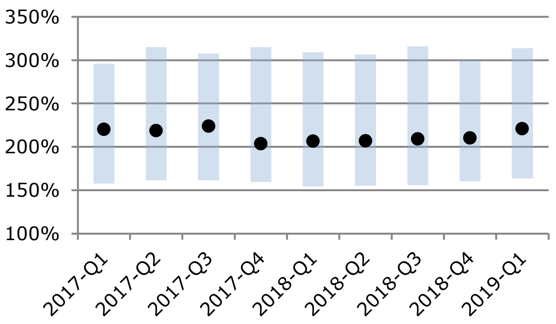
SCR ratio - groups



Note: Distribution of indicator (interquartile range, median).
Source: "Total" QFG ($N_{2019\ Q1}$=95)

The distribution of SCR ratios for non-life solo companies has shifted upwards, with the median ratio increasing by 10.6 p.p. to 220.7%.

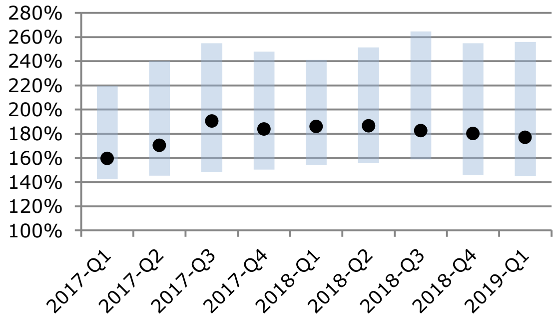
SCR ratio - non-life



Note: Distribution of indicator (interquartile range, median).
Source: QRS ($N_{2019\ Q1}$=1,087)

The distribution of SCR ratios for life solo undertakings has remained broadly stable, with the median ratio standing at 176.9%.

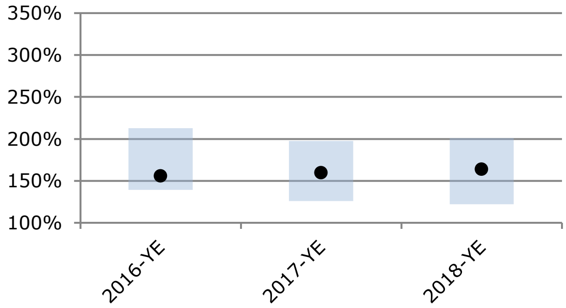
SCR ratio - life



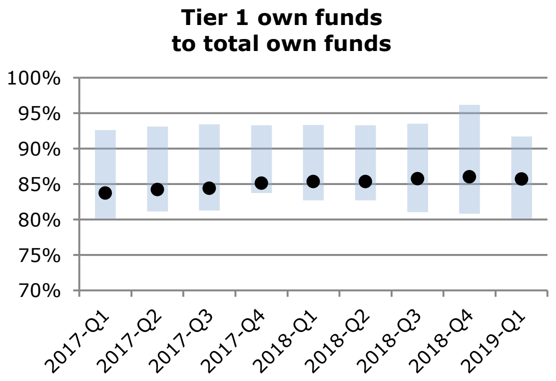
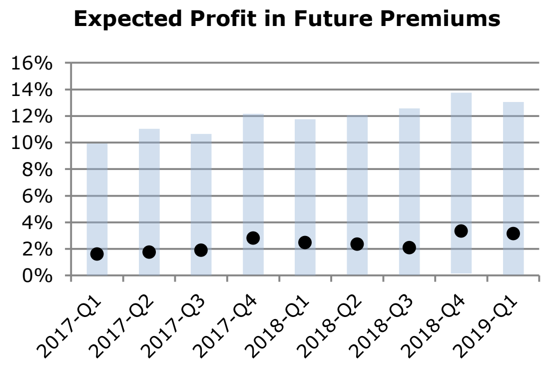
Note: Distribution of indicator (interquartile range, median).
Source: QRS ($N_{2019\ Q1}$=435)

The median SCR ratio of life solo companies excluding the impact of transitional measures is at 163.7% in 2018 (+4 p.p. than in 2017). The indicator remains above 100% for most life insurers in the sample.

Solvency ratio - life (without transitionals)



Note: Distribution of indicator (interquartile range, median).
Source: ARS (N_{2018}=285)

The median share of Tier 1 capital in total own funds has remained stable in Q1-2019, remaining at around 86%. A decline in the upper quartile of the distribution has been reported.	*The median ratio of the expected profit in future premiums to total eligible own funds to meet the SCR stood at 3.1% in Q1-2019 (-0.2 p.p. than in the previous quarter).*
	
Note: Distribution of indicator (interquartile range, median). Source: QFG ($N_{2019\ Q1}$=97)	Note: Distribution of indicator (interquartile range, median). Source: QRS ($N_{2019\ Q1}$=1,920)

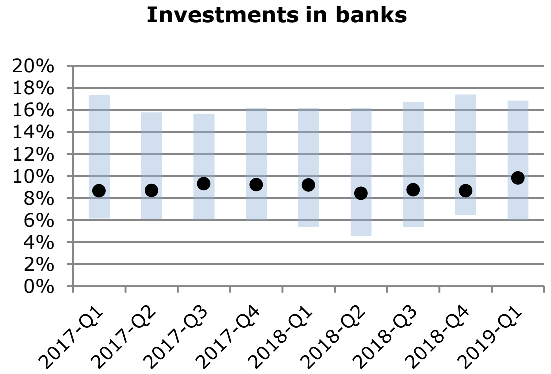
Interlinkages & imbalances

Level: medium

Trend: constant

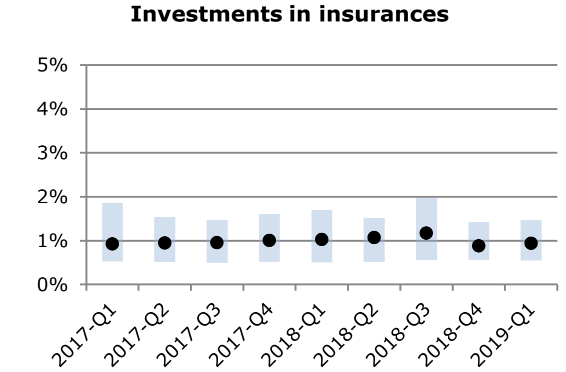
Interlinkages and imbalances risks remained at medium level in Q1-2019. A minor increase is observed for exposures to banks, while the opposite is true for exposures to other financial institutions. An increase has been reported in the share of premiums ceded to reinsurers.

The median value of investments in banks as a share of total assets has increased by 1.2 p.p. in Q1-2019 to 9.8%.



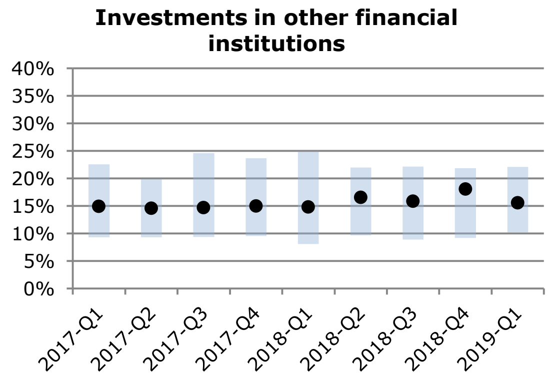
Note: Distribution of indicator (interquartile range, median). Banks comprise all activities identified with NACE code K.64.1.9.
Source: QFG ($N_{2019\ Q1}$=89)

The distribution of investment exposures to other insurers has remained stable compared to the previous quarter, with the median exposures standing at 0.9% of total assets.



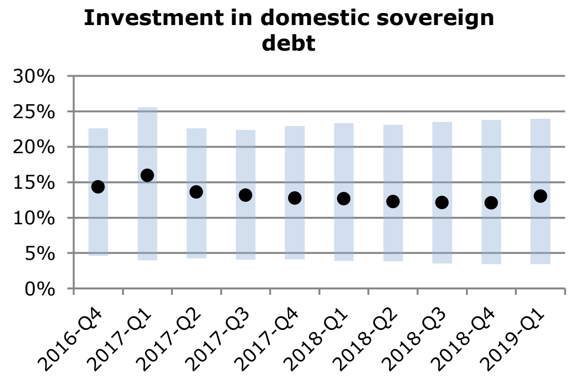
Note: Distribution of indicator (interquartile range, median). Insurances comprise all activities identified with NACE code K65, excluding K65.3.
Source: QFG ($N_{2019\ Q1}$=94)

A decrease of 2.5 p.p. to 15.5% has been reported for median exposures to other financial institutions in Q1-2019. The interquartile range has remained stable overall.



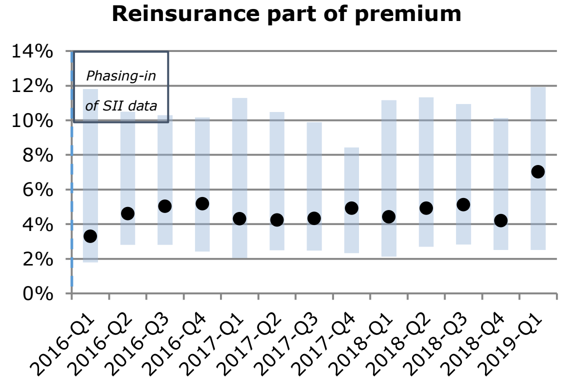
Note: Distribution of indicator (interquartile range, median). Other financial institutions comprise all activities identified with NACE codes K66, K65.3 and K64 excluding K64.1.9.
Source: QFG ($N_{2019\ Q1}$=89)

The median exposure to domestic sovereign debt stod at 13% in Q1-2019 (+0.9 p.p. than in Q4-2018).



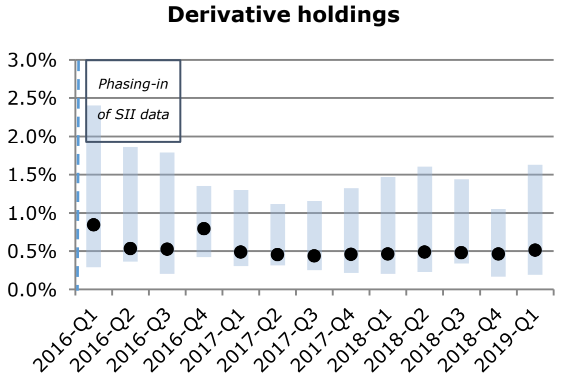
Note: Distribution of indicator (interquartile range, median).
Source: QRS ($N_{2019\ Q1}$=1,716)

The median share of premiums ceded to reinsurers has increased from 4.2% to 7.0% in Q1-2019.



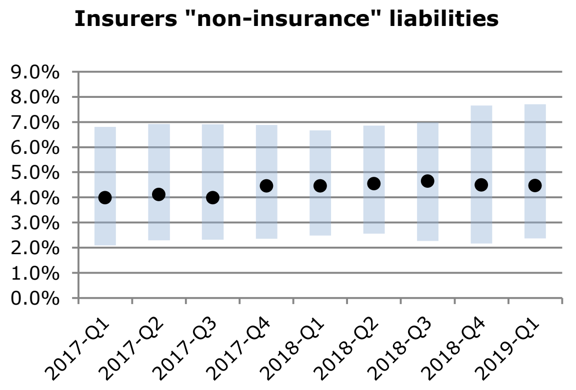
Note: Distribution of indicator (interquartile range, median). Source: QFG ($N_{2019\ Q1}$=98).

The median exposure to derivatives remains at around 0.5% of total assets. An increase has been reported for the upper quartile of the distribution.



Note: Distribution of indicator (interquartile range, median). Source: QFG ($N_{2019\ Q1}$=95).

The distribution of insurers' "non-insurance" liabilities is broadly stable compared to the previous quarter, with a median value of 4.5%.



Note: Distribution of indicator (interquartile range, median). Source: QFG ($N_{2019\ Q1}$=95)

Insurance (underwriting) risks

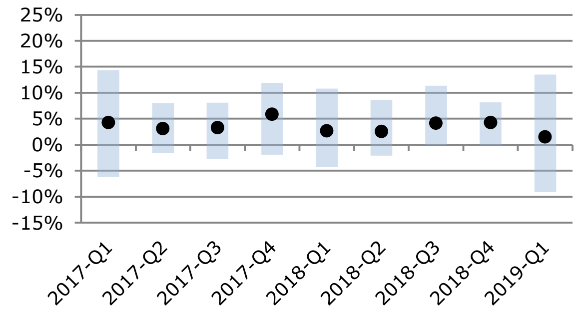
Level: medium

Trend: constant

Insurance risks remained constant at a medium level. Median premium growth of life and non-life business remains positive and a reduction has been reported in insurance groups’ loss ratios and cat loss ratios.

Median life premium growth has declined to 1.5% in Q1-2019 from 4.3% in the previous quarter.

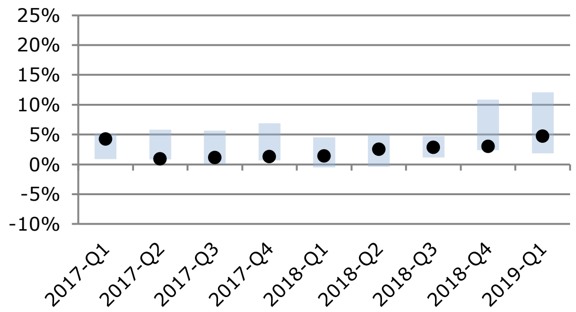
Premium growth - life



Note: Year-on-year change in gross written premiums. Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2019\ Q1}$=89)

The distribution of of non-life premium growth has shifted upwards in Q1-2019, after a similar increase in the preceding quarter. The median growth rate has increased from 3% to 4.7%.

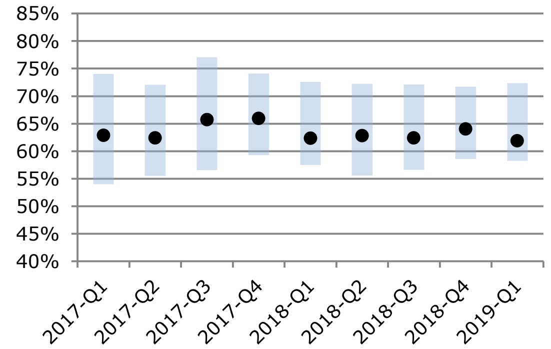
Premium growth - non-life



Note: Year-on-year change in gross written premiums. Distribution of indicator (interquartile range, median).
Source: QFG ($N_{2019\ Q1}$=82)

The median loss ratio has declined by 2.2 p.p. in Q1-2019 to 61.9%.

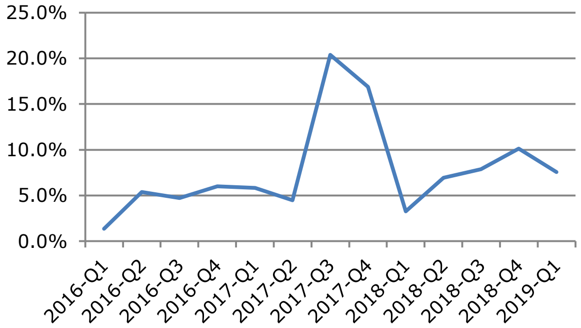
Loss ratio (gross)



Note: Distribution of indicator (interquartile range, median).
Source: QRS ($N_{2019\ Q1}$=1,353)

The cumulative catastrophe loss ratio stood at 7.6% in Q1-2019, 4.3 p.p. higher than in the same quarter of last year.

Catastrophe loss ratio



Note: Cumulative year-to-date loss ratio based on Munich Re, Hannover Re and Everest Re.
Source: Bloomberg Finance L.P.

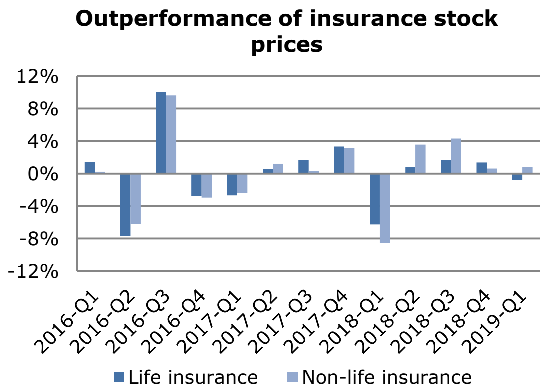
Market perceptions

Level: medium

Trend: constant

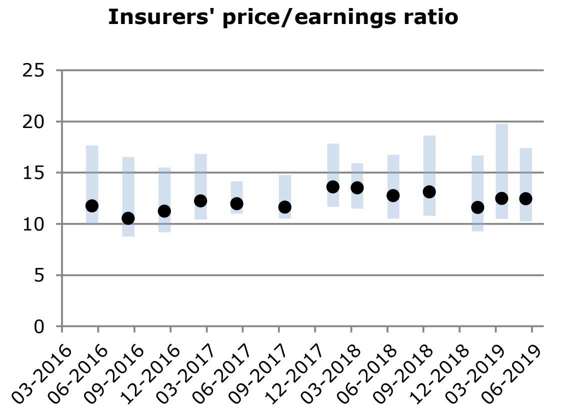
Market perceptions remained constant at medium level. Insurance groups stocks' performance was broadly in line with the overall market. Median insurers' CDS spreads have increased, while external ratings have remained unchanged.

Non-life insurance stock prices have slightly outperformed the overall market while the life segment has slightly underperformed.



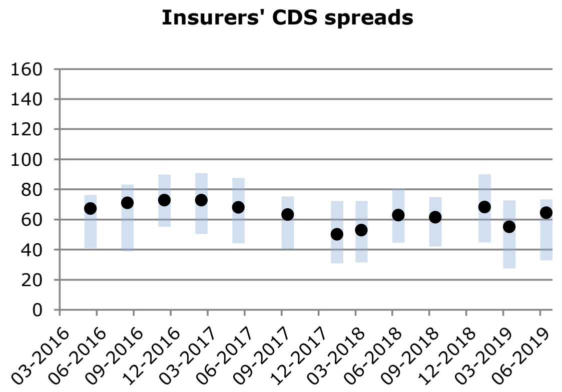
Note: Outperformance over 3-month periods vs Stoxx 600.
Source: Bloomberg Finance L.P.

The median of price-to-earnings (P/E) ratios is stable hovering around 12.5%.



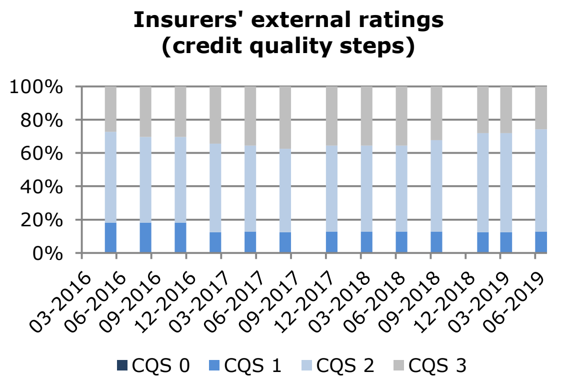
Note: Distribution of indicator (interquartile range, median).
Source: Bloomberg Finance L.P. (N=34)

The interquartile range of the distribution of insurers' CDS spreads has decreased since the last assessment. The median value has increased 64.3 bps, going back to end 2018 levels.



Note: Distribution of indicator (interquartile range, median).
Source: Bloomberg Finance L.P. ($N_{2019\ Q1}$=15)

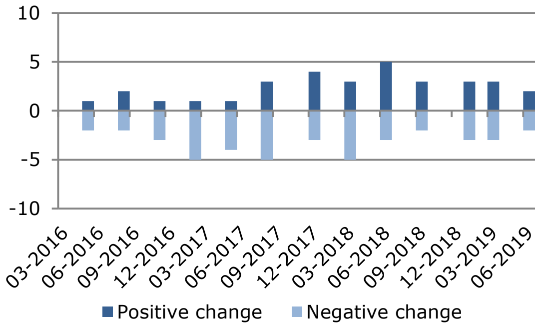
Insurers' external ratings have not changed since the last assessment.



Source: Standard & Poor's via Bloomberg Finance L.P.
($N_{2019\ Q1}$=31)

In March 2019 an equal number of positive and negative changes in ratings outlooks are observed for insurers (2).

Insurers' external ratings (change in rating outlooks)



Source: Standard & Poor's via Bloomberg Finance L.P. ($N_{2019\ Q1}$=31)

APPENDIX

Level of risk		
		Very high
		High
		Medium
		Low

Trend		
	⇧	Large increase
	⬀	Increase
	⇨	Constant
	⬂	Decrease
	⇩	Large decrease

Arrows show changes when compared to the previous quarter.

Description of risk categories

Macro risks

Macro risk is an overarching category affecting the whole economy. EIOPA's contribution focuses on factors such as economic growth, state of the monetary policies, consumer price indices and fiscal balances which directly impact the insurance industry. The indicators are developed encompassing information on the main jurisdictions where European insurers are exposed to both in terms of investments and product portfolios.

Credit risks

The category measures the vulnerability of the European insurance industry to credit risk. To achieve this aim, credit-relevant asset class exposures of the (re)insurers are combined with the relevant risk metrics applicable to these asset classes. For instance, the holdings of government securities are combined with the credit spreads on European sovereigns.

Market risks

Market risk is, for most asset classes, assessed by analysing both the investment exposure of the insurance sector and an underlying risk metric. The exposures give a picture of the vulnerability of the sector to adverse developments; the risk metric, usually the volatility of the yields of the associated indices, gives a picture of the current level of riskiness. The risk category is complemented by an indicator which captures the difference between guaranteed interest rates and investment returns.

Liquidity and funding risks

This category aims at assessing the vulnerability of the European insurance industry to liquidity shocks. The set of indicators encompasses the lapse rate of the life insurance sector with high lapse rate signalling a potential risk, holdings of cash & cash equivalents as a measure of the liquidity buffer available, and the issuance of catastrophe bonds, where a very low volume of issuance and/or high spreads signals a reduction in demand which could form a risk.

Profitability and solvency

The category scrutinises the level of solvency and profitability of the European insurance industry. Both dimensions are analysed for the overall industry (using group data) and include a breakdown for the life and non-life companies (using solo data). In detail, the solvency level is measured via solvency ratios and quality of own funds. Standard profitability measures for the whole industry are complemented by indicators such as the combined ratio and the return on investments specifically applied to the non-life and life industry respectively.

Interlinkages and imbalances

Under this section various kinds of interlinkages are assessed, both within the insurance sector, namely between primary insurers and reinsurers, between the insurance sector and the banking sector, as well as interlinkages created via derivative holdings. Exposure towards domestic sovereign debt is included as well.

Insurance (underwriting) risks

As indicators for insurance risks gross written premiums of both life and non-life business are an important input. Both significant expansion and contraction are taken as indicators of risks in the sector; the former due to concerns over sustainability and the latter as an indicator of widespread contraction of insurance markets. Information on claims and insurance losses due to natural catastrophes also contribute to this risk category.

Market perception

This category encompasses the financial markets' perception of the healthiness and profitability of the European insurance sector. For this purpose, relative stock market performances of European insurance indices against the total market are assessed, as well as fundamental valuations of insurance stocks (price/earnings ratio), CDS spreads and external ratings/rating outlooks.

Abbreviations

AFG	Annual Financial Stability Reporting for Groups
ARS	Annual Prudential Reporting for Solo Entities
QFG	Quarterly Financial Stability Reporting for Groups
QRS	Quarterly Prudential Reporting for Solo Entities
QFT	Quarterly Fast Track Reporting (pre-Solvency II, for around 32 large insurance groups on a best effort basis)

Notes

- Sample size for the different indicators may vary according to availability and consistency of the reported information.
- Vertical dashed lines where displayed in the graphs that signal the structural change in the series driven by the transition from Solvency I to Solvency II reporting.

EIOPA Risk Dashboard July 2019

This report provides an interim risk-update, updating previous Risk Dashboards. Legal basis of this report is 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), and in particular Article 32 (Assessment of market developments) thereof.