Insurance Regulatory bulletin

PwC Ireland

Q3 2022

Executive summary

Welcome to this edition of our Insurance Regulatory bulletin aimed to keep you updated and informed with the most significant regulatory changes and developments that have occurred within the insurance industry during Q3 of 2022.

As the global economy continues to recover from the impact of COVID-19 and weather the combined storm of the War in Ukraine, inflation, and concerns about energy security, the regulatory landscape for the sector continues to evolve too.

From an Irish perspective the Central Bank of Ireland issued a number of important announcements during Q3:

- A consultation seeking stakeholders' views on proposed Guidance for (re)insurance undertakings on Intragroup Transactions and Exposures (CP150).
- A consultation seeking stakeholders' views on proposals to introduce Guidance for (Re)Insurance Undertakings on Climate Change Risk (CP151).
- The findings of its thematic inspection of governance and oversight controls in relation to (re)insurers' use of underwriting managing general agents.
- Its expectations of firms to assist customers in managing the risk of underinsurance (in a Dear CEO letter issued during the quarter).

At a European level climate change and protection of consumer interests across the European Union continue to be at the forefront of regulatory developments as evidenced from EIOPA's strategy for the period 2023 – 2026 and Annual Work Programme for 2023 that was published by the Authority.

We hope you enjoy reading this bulletin, which contains further details on the issues outlined above, and more!

Please remember that clicking on the red headlines will bring you to the underlying source material in each case.

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Insurance regulatory developments

Conduct

EIOPA seeks input on supervisory statement on differential pricing practices

On 11 July, EIOPA launched a public consultation on their supervisory statement on differential pricing practices in non-life insurance lines of business. EIOPA's objective with the statement is to strengthen consumer protection by preventing the unfair treatment of consumers and to promote greater convergence in the supervision of differential pricing practices, to ensure that detriments to consumers are prevented via adequate product oversight and governance (POG) processes.

While the current EU legislative framework does allow certain differential price practices, such as commercial, marketing, and underwriting discounts, EIOPA is of the view that some types of differential pricing practices fail to comply with the applicable framework and lead to the unfair treatment of consumers.

Price walking practices can have a detrimental effect on policyholders who are unlikely to switch providers. The practice unfairly penalises loyal customers and can disproportionately affect vulnerable groups such as the elderly. EIOPA therefore sets out in its supervisory expectations that insurers wishing to make use of differential pricing practices must demonstrate that they have adequate POG measures in place to ensure the fair treatment of consumers and the mitigation of consumer risks.

The consultation period closed on 7 October 2022.

EIOPA Publishes Supervisory statement on exclusions in insurance products related to risks arising from systemic events

On 26 August EIOPA Published Supervisory statement on exclusions in insurance products related to risks arising from systemic events. The objective of EIOPA's supervisory statement is to encourage supervisory convergence in how national competent authorities evaluate the treatment of exclusions during the process of creating a product and its terms and conditions. The purpose of the statement is to make sure that the interests of current and potential policyholders are properly considered when policies are produced, changed, or when circumstances arise that call into question the coverage's extent.

Central Bank of Ireland issues Dear CEO letter outlining the Central Banks expectations relating to the risk posed to consumers of not having sufficient home insurance cover

On 22 September, the CBI issued a Dear CEO letter in relation to the CBI's expectations relating to the risks posed to consumers of under-insurance. The letter sets out the main findings of the CBI's thematic review of the risk posed to policyholders of not having sufficient home insurance cover. This review took place in April of this year and was prompted by the reported increased costs in the construction industry.

The results of the review show that the level of under-insurance in the home insurance market has increased, from an average of 6.5% of claims paid in 2017 up to 16.5% in 2021.

While the review found instances of proactive actions by industry, such as internal reviews on under-insurance, customer awareness campaigns and staff training, overall, the general approach taken by firms was not considered sufficiently consumer-focused in two key areas:

- Clarity, consistency, and timeliness of communications with consumers regarding the risk of not having sufficient home insurance cover; and
- Effectiveness of firms' consumer risk management tools and frameworks in identifying and assessing risks to consumers.

The letter outlines a number of actions to be taken in relation to the following:

- Consumer Information,
- Economic Factors,
- Consumer Renewals,
- Consumer Risk Identification,
- Product Oversight and Governance ("POG") and the use of Management Information ("MI").

Supervision

CBI Publishes Consultation paper on Guidance for (Re)insurance Undertakings on Intragroup Transactions and Exposures

On 4 July, the Central Bank published a Consultation Paper to seek stakeholders' views on the CBI proposed Guidance for (re)insurance undertakings on Intragroup Transactions and Exposures. The aim of the Guidance is to provide clarity on the Central Bank's expectations about intragroup transactions & exposures of (re)insurance undertakings supervised by the Regulator and in doing so to promote a level playing field in this regard.
The Guidance sets out the CBI's expectations of Reinsurance undertakings in relation to the governance and risk management of intragroup transactions and exposures around:

- intragroup assets;
- intra-group reinsurance; and
- cash pooling/Group treasury arrangements.

Interested stakeholders were to provide their feedback on the Guidance from the day of publication until 4 October 2022.

EIOPA Publishes its peer review report on Outsourcing

On 19 July, EIOPA published its report on the peer review on outsourcing.
The peer review assessed the overall maturity of the framework implemented by national supervisory authorities (NSAs) to supervise the outsourced activities of insurance and reinsurance undertakings.
The objective of the peer review was to identify gaps, areas of improvements and best practices to promote consistent and effective supervision in this regard.
The findings show that European undertakings make an increasing use of outsourcing, mainly in the field of technology, and that the level of outsourcing varies greatly across the European Economic Area. These differences in the penetration of outsourcing help explain why Member States' supervisory frameworks are also at different stages of maturity.

The majority of NSAs focus their supervisory assessment of outsourcing-related risks at notification, that is, before undertakings would outsource certain functions, whereas others opted for a lighter notification process combined with more intensive ongoing supervision. A few authorities implemented both a robust notification assessment together with intensive ongoing supervision.

An analysis of the tools used by NSAs reveals that even though on-site inspections are both time and effort-intensive, they are the most effective tool to verify the overall governance structure around outsourcing and to confirm whether undertakings comply with Solvency II requirements regarding outsourced activities. Nevertheless, on-site inspections specifically focused on outsourcing are not among the most frequently used instruments by NSAs. While NSA do undertake such inspections, a review of the outsourcing frameworks is more common during the overall review of undertakings' system of governance.

The peer review found that segments of the outsourcing framework and certain supervisory practices need improvement. To address these, EIOPA has recommended actions to NSAs in several areas. These include aspects of the outsourcing framework, the structure of the notification process as well as NSAs' supervision of the notification content, information management and supervisory procedures for both off-site and on-site inspections.

EIOPA has also identified areas where higher supervisory convergence and/or more clarity regarding supervisory expectations could be achieved.
Therefore, EIOPA will consider conducting further analysis in three domains:
the outsourcing of delegated authority (where an insurance intermediary who is not an employee of the undertaking may underwrite business or settle claims on behalf of the undertaking); the definition of 'material development' and the meaning of 'timely notification' according to article 49(3) of Solvency II; and the supervision of undertakings that make such an extensive use of outsourcing that it impacts their corporate substance (so-called "empty shells").

EIOPA publishes Consultation paper on the use of governance arrangements in third countries to perform functions or activities

On 29 July, EIOPA published a Consultation Paper to get feedback on its Supervisory Statement regarding the use of governance arrangements in third countries to perform functions or regulated activities. The objective of EIOPA's Supervisory Statement was to clarify its supervisory expectations and ensure appropriate supervision and monitoring of the compliance of insurance undertakings and intermediaries with the requirements of the relevant EU legislation in relation to their governance arrangements in third countries. The Supervisory Statement highlights on governance arrangements that deserve particular attention regarding the adequacy of the corporate structure and sets out supervisory expectations to address supervisory practices in relation to such governance arrangements.
The portal for receiving feedback from relevant stakeholders by EIOPA is open until 31 October 2022.

Central Bank of Ireland publishes Guidance Note on Outsourcing Register Template (Re)Insurance Undertakings

On 9 August, the CBI published Guidelines for submitting outsourcing registration templates for (re)insurance undertakings. This is in line with the CBI's expectations for regulated firms to establish and maintain an outsourcing register as set out in the Cross-Industry Guidance on Outsourcing published in December 2021. All regulated financial service providers will be obliged to submit their completed reporting template to the CBI via the online reporting system (or ""ONR"") if their PRISM impact rating is (""medium low"") or higher (or its equivalent).

Details on how to complete these submissions were provided in the Guidance and included:

- Timeline for Submitting Online Returns;
- Mechanism for Submission of Returns with strict conformance to the guidance issued;
- Where to obtain further information (outsourcing.register@centralbank.ie);
- Where to obtain assistance for any technical issues with ONR;
- Overview of the Register and Information to be provided by RFSPs; and
- Instructions / Guidance Notes for Completing the Register.

Regulated financial service providers are expected to submit the finished register via the ONR by close of business on 7 October 2022. Regulated financial service providers should submit their register with all outsourcing arrangements in place as of 31 December 2021 and only include contracts and written agreements with a start date before that date.

European Central Bank publishes Opinion on the reporting to the Central Bank of Ireland of certain insurance data

On 25 August, ECB published an opinion on the submission of specific insurance data to the Central Bank of Ireland.This Opinion was in response to a request from the Chairman of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform and the Taoiseach for an opinion on the Judicial Council (Amendment) Bill 2021. The opinion focused on the CBI's responsibility of gathering data regarding how personal injury guidelines affect people who have insurance policies with insurance providers and how the costs associated with carrying out this task will be paid for. According to the ECB, the CBI won't be able to pay for the expenses of gathering the necessary data out of its own resources. The CBI will need to recover these expenditures through fees that insurance companies must pay or through borrowing from the minister of finance.

EIOPA publishes Supervisory statement on the management of non-affirmative cyber exposures

On 09 September EIOPA published a Supervisory statement on exclusions in insurance products in relation to risks arising from systemic events. EIOPA's supervisory statement aims to promote supervisory convergence in how national competent authorities assess the treatment of exclusions as part of the product design and terms and conditions drafting process. The statement seeks to ensure that the interests of existing and prospective policyholders are duly considered when products are developed or revised or when events casting doubt on the scope of the coverage materialise. Beyond general contract clarity and language simplicity requirements, EIOPA recommends that national competent authorities monitor whether insurance manufacturers appropriately assess the terms and conditions and the scope of coverage whenever the risk arising from a systemic event becomes uninsurable or there is lack of clarity as to whether the risk is covered or not.

More broadly, beyond general product oversight and governance requirements, when new products are developed, EIOPA recommends assessing the target market's needs, objectives, and characteristics with respect to the exclusion of risks arising from systemic events – including when determining whether risks stemming from systemic events are covered or not.

While there may be a limit to insurability, EIOPA is of the view that consumers and small businesses can assess the risks involved better – including those stemming from systemic events – when coverage is clear and aligned to the target market's needs. The supervisory statement therefore advocates greater clarity and specific tailoring to the target market.

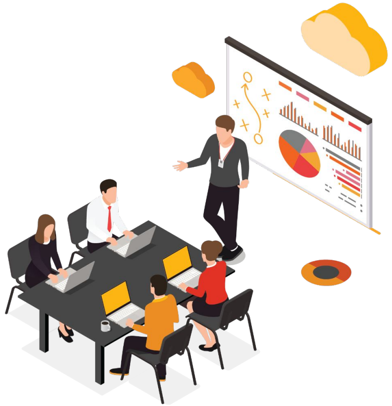
Central Bank of Ireland issues results of its inspection of governance and oversight controls in relation to (re)insurers' use of underwriting Managing General Agents ('MGAs')

As part of the September Insurance Newsletter, the CBI issued the findings of a recent thematic inspection of governance and oversight controls in relation to (re)insurers' use of underwriting Managing General Agents ('MGAs') that was conducted by the Governance & Operational Risk Division of the Bank. The review itself was conducted on six firms, however the CBI noted that the findings will be relevant to all who utilise outsourcing arrangements within the industry.

Overall, the Central Bank found that the governance and the quality of the oversight controls over MGAs needs to be enhanced, with the specific risks arising from MGAs not being adequately assessed, or independently tested, and the procedures relating to the monitoring of MGAs being either non-existent, incomplete, or lacking adequate detail.

The key issues highlighted by the CBI include those relating to:

- Outsourcing Procedures & Critical or Important Functions or Activities ('CIFA') Notifications;
- Inclusion of Underwriting MGA Risks in Risk Framework;
- Risk and Compliance Role in monitoring MGAs;
- Due Diligence concerns; and
- Monitoring Procedures.



EIOPA sets out its strategy for 2023 – 2026

On 30 September, EIOPA set out its strategy for the period 2023 – 2026. Current geopolitical tensions due to War in Ukraine coupled with lingering effects of the pandemic, market volatility and inflation underline the need for effective supervision. Building on a strong foundation, the strategy is designed to strengthen the resilience and sustainability of the insurance and pensions sectors, and to ensure the strong and consistent protection of consumer interests across the European Union.

Under the overall vision of building a safe and sustainable EU for citizens in times of transformation, EIOPA has identified strategic priorities on which to focus. These include:

Sustainable finance: Contribute to building up sustainable insurance and pensions, including by addressing protection gaps, for the benefit of citizens and businesses.

Digital transformation: Support the supervisory community and industry to mitigate the risks and seize the opportunities of the digital transformation, including by further promoting a data-driven culture.

Supervision: Promote sound, efficient and consistent prudential and conduct supervision throughout Europe, particularly in view of increased cross-border business.

Policy: Deliver high-quality advice and other policy work considering changing and growing needs of society as well as the effects of new horizontal regulation.

Financial stability: Further enhance financial stability, with particular focus on the analysis of financial sector risks, vulnerabilities, and emerging threats.

Internal governance: Be a model EU Authority with high professional standards, cost-effective governance, and a positive reputation within the EU and globally.

To fulfil its objectives: EIOPA will continue to work in a collaborative and consultative way, valuing the guidance of its Board of Supervisors, and the input from a range of stakeholders.

EIOPA has also published its Single Programming Document, including the Annual Work Programme for 2023. Key activities planned for 2023 include:

- Integrating ESG risks in the prudential frameworks on insurers and pension funds;
- Initiating one-off coordinated climate change stress test;
- Implementation of the Digital Operational Resilience Act (DORA);
- Developing a sound regime for the use of artificial intelligence (AI) by the insurance sector;
- Addressing consumer detriment from cross-border activities;
- Delivering advice in relation to the review of the IORP II Directive;
- Following up on the potential materialisation of downside risk stemming from the ongoing crises in the context of high inflation and low/potentially negative growth; and
- Chairing the Network of EU Agencies.

Prudential

EIOPA Publishes report on Data Quality in Solvency II Reporting

On 06 September, EIOPA published a report on data quality in Solvency II reporting. Since reliable data forms the basis for successful data-driven supervision, evidence-based decision making as well as micro- and macro-prudential analysis, EIOPA - together with National Competent Authorities - has been constantly working on assessing and improving the quality of supervisory insurance reporting data. After more than 130.000 individual and very granular submissions received by EIOPA since the introduction of Solvency II reporting in 2016, the report takes stock of the improvements made in data quality over the years.

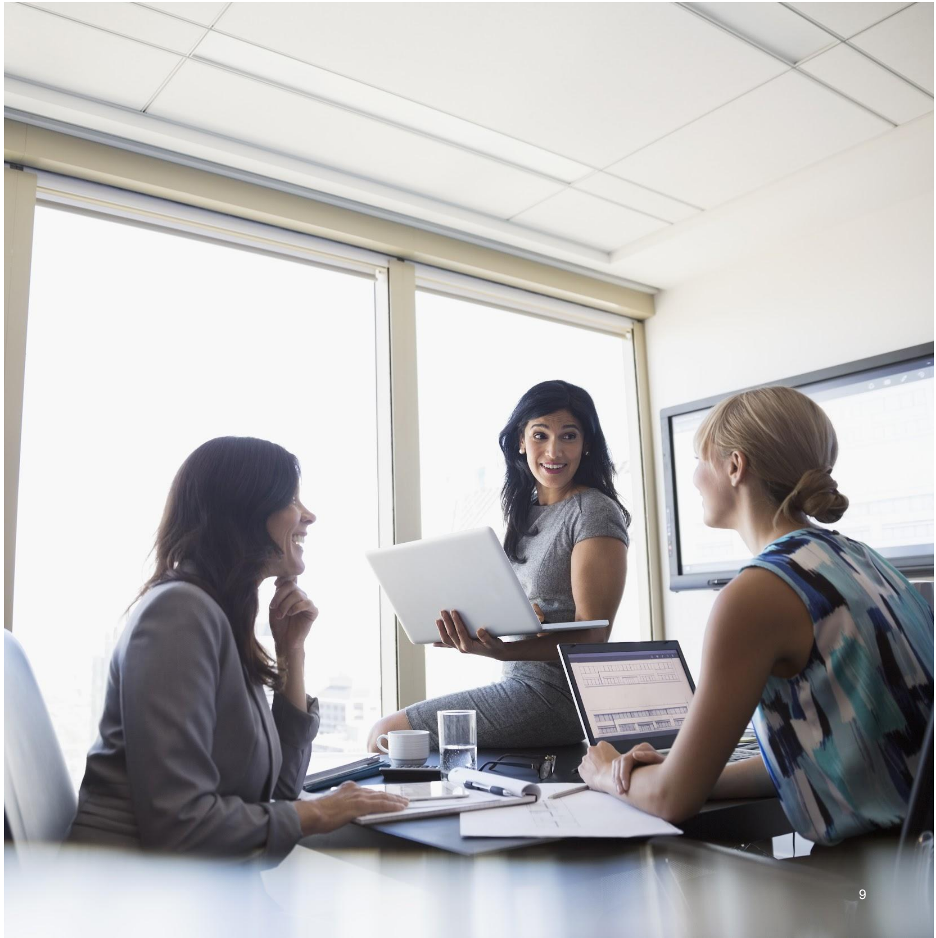
The report demonstrates that the automated data quality processing solutions and advanced analytic tools together with built-in validations in the XBRL taxonomy have been effective in raising the quality of data.

Multiple key performance indicators and an overall data quality score show significant improvements over the years. The quality benchmark indicator for annual solo reporting rose from 82% back in 2016 to 94% in 2020.

While measuring data quality quantitatively remains challenging, available indicators show a positive trend. EIOPA recognises the central importance of high-quality data and is committed to further improving the quality of data it receives via Solvency II reporting and will continue to monitor the evolution of these indicators.

The report also describes the intensive and wide usage of Solvency II data by EIOPA for analyses, statistics, impact assessments, supporting national supervisory authorities, technical advice, and various other publications.

Further data quality improvements are expected in the future as EIOPA, and its members continue to refine their techniques and develop new tools.



EIOPA publishes Joint Committee Report on risks and vulnerabilities in the EU financial system - Autumn 2022

On 12 September, EIOPA published Joint Committee Report on risks and vulnerabilities in the EU financial system The report highlights that the deteriorating economic outlook, high inflation, and rising energy prices have increased vulnerabilities across the financial sectors. The post-pandemic economic recovery in Europe has dwindled because of the war in Ukraine and the disruptions in trade caused which have caused a rapid deterioration of the economic outlook. It adds to pre-existing inflationary pressures by strongly raising energy and commodity prices, exacerbates imbalances in supply and demand, and weakens the purchasing power of households. The risk of persistent inflation and stagflation has risen.

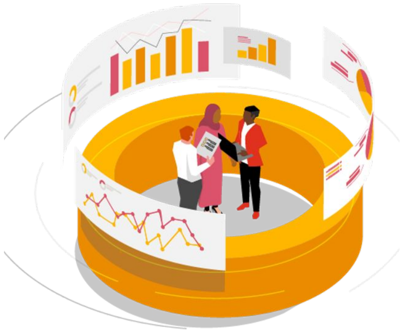
These factors, coupled with the deteriorated economic outlook, have significantly impacted the risk environment of the financial sector.

Financial market volatility has increased across the board given high uncertainties. After a long period of low interest rates, central banks are tightening monetary policy. These factors, coupled with the deteriorated economic outlook, have significantly impacted the risk environment of the financial sector. Financial market volatility has increased across the board given high uncertainties. After a long period of low interest rates, central banks are tightening monetary policy. The combination of higher financing costs and lower economic output may put pressure on government, corporate and household debt refinancing while also negatively impacting the credit quality of financial institutions' loan portfolios. The reduction of real returns through higher inflation could lead investors to higher risk-taking at a time when rate rises are setting in motion a far-reaching rebalancing of portfolios.

Financial institutions also face increased operational challenges associated with heightened cyber risks and the implementation of sanctions against Russia. The financial system has to date been resilient despite the increasing political and economic uncertainty.

Considering the above risks and vulnerabilities, the Joint Committee of the ESAs advises national competent authorities, financial institutions, and market participants to take the following policy actions:

- Financial institutions and supervisors should continue to be prepared for a deterioration in asset quality in the financial sector and monitor developments including in assets that benefitted from temporary measures related to the pandemic and those that are particularly vulnerable to a deteriorating economic environment, to inflation as well as to high energy and commodity prices.
- The impact of further increases in policy rates and of potential sudden increases in risk premia on financial institutions and market participants at large should be closely monitored.
- Financial institutions and supervisors should closely monitor the impact of inflation risks.
- Supervisors should continue to monitor risks to retail investors, about products where consumers may not fully realise the extent of the risks involved, such as crypto-assets.
- Financial institutions and supervisors should continue to carefully manage environmental risks and cyber risks to address threats to information security and business continuity.



Sustainability

EIOPA Publishes Guidance on the integration of the customer's sustainability preferences in the suitability assessment under IDD

On 20 July, EIOPA published its guidance on integrating the customer's sustainability preferences in the suitability assessment under the Insurance Distribution Directive (IDD). The Guidance is based on Commission Delegated Regulation (EU) 2021/1257 and aims at easing the implementation of the Delegated Regulation by national competent authorities (NCAs) as well as by insurance undertakings and insurance intermediaries providing advice on insurance-based investment products (IBIPs).
EIOPA provides guidance on:

- how to help customers better understand the concept of "sustainability preferences" and their investment choices;
- how to collect information on sustainability preferences from customers;
- how to match customer preferences with products, based on product disclosures under the Sustainable Finance Disclosure Regulation (SFDR);
- what arrangements are necessary to ensure the suitability of an insurance-based investment product; and
- the sustainable finance-related training and competence expected of insurance intermediaries and insurance undertakings who provide advice on insurance-based investment products (IBIPs).

EIOPA is mindful of the underlying complexity of the regulatory framework and has, therefore, included diagrams and flow charts in the guidance to facilitate comprehension.

The guidance is complemented by a feedback statement, which addresses the comments received from stakeholders in a public consultation on draft Guidelines on integrating the customer's sustainability preferences earlier this year. After the consultation, EIOPA decided to pause its work on Guidelines on the topic of sustainability preferences to gather more information based on the implementation experience with the new legislative framework in the coming months.

EIOPA Publishes Joint ESAs' Report on the extent of voluntary disclosure of principal adverse impact under the SFDR

On 28 July, EIOPA Published the Joint ESAs' Report on the extent of voluntary disclosure of principal adverse impact under the SFDR. Based on a survey of National Competent Authorities (NCAs), the ESAs have developed a preliminary, indicative, and non-exhaustive overview of good examples of best practices, and less good examples of voluntary disclosures.
The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) published the first annual report on the extent of voluntary disclosure of principal adverse impact under the Sustainable Finance Disclosure Regulation (SFDR) – Article 18 of Regulation (EU) 2019/2088
Based on a survey of National Competent Authorities (NCAs), the ESAs have developed a preliminary, indicative, and non-exhaustive overview of good examples of best practices, and less good examples of voluntary disclosures.

Key highlights include:

- the extent of compliance with voluntary disclosures varies significantly across respondents, but, overall, the first disclosures since the application of the SFDR are not very detailed - this is expected to change for the disclosures made for the 2022 reporting period once the SFDR Delegated Regulation applies;
- there is an overall low level of disclosure on the degree of alignment with the objective of the Paris Agreement – when disclosure of alignment is made, it is often vague; and
- there is a low level of compliance with the details required for explaining why financial market participants do not consider the adverse impact of their investment decisions.

The report also includes a set of recommendations for NCAs to ensure appropriate supervision of financial market participants' practices, such as running regular surveys in their own market to determine whether supervisory entities comply with Article 4 SFDR disclosures.

EIOPA publishes Application guidance on climate change materiality assessments and climate change scenarios in ORSA

On 2 August, The European Insurance and Occupational Pension Authority (EIOPA) published today the final version of the application guidance on climate change materiality assessments and climate change scenarios in the Own Risk and Solvency Assessment (ORSA). The publication follows a public consultation on the topic as well as a pilot exercise in which stakeholders were invited to participate.

The application guidance provides a detailed and practical basis on how to implement sustainable finance ambitions in practice. It gives insights into where undertakings have the possibility to address climate change risks in ORSA and provides examples using mock non-life and life companies to help undertakings design the steps for the materiality assessment and run climate change scenarios.

The concrete case studies for materiality assessment of climate change scenarios included in the guidance can help lower implementation costs for insurance undertakings, in particular small and mid-sized ones, taking into account the size, nature and complexity of climate change risk exposures.

Given that the (re)insurance industry will be impacted by climate change-related physical and transition risks, EIOPA believes it is important to encourage a forward-looking management of these risks to ensure the solvency and viability of the industry.

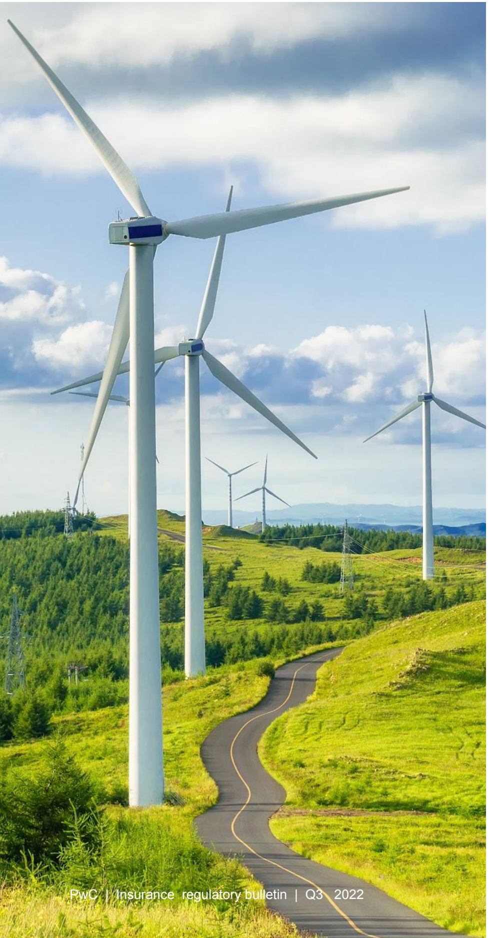
Central Bank of Ireland publish consultation paper on proposals to introduce Guidance for (Re)Insurance Undertakings on Climate Change Risk

On 3 August the CBI issued a consultation paper on proposals to introduce Guidance for (Re)Insurance Undertakings on Climate Change Risk. The aim of the consultation paper is to clarify the Central Bank's expectations on how (re)insurers might address climate change risk in their business and to assist (re)insurers in developing their governance and risk management frameworks to appropriately consider and address climate change risk.

The consultation paper follows of a number of recent climate change and ESG publications by the CBI such as the Dear Chair and CEO letter issued in November 2021 as well as the publication of the results of the CBI's Climate and Emerging Risk Survey, which found that only 20% of (re)insurers surveyed fully integrate climate change risk in their risk management framework, with fewer than half conducting some form of scenario analysis or stress testing.

The guidance includes an infographic which is designed to assist (re)insurers visualise the interlinkages between the different elements of the proposed Guidance as well providing a visual overview of the approach to the assessment and ongoing management of a (re)insurer's exposure to climate change risk.

The consultation remains open until 26 October 2022.



Central Bank of Ireland publish Financial Stability Note, “Climate Risks in the Financial System: An Overview of Channels, Impact and Heterogeneity”

On 7 September the CBI published a Financial Stability Note, “Climate Risks in the Financial System: An Overview of Channels, Impact, and Heterogeneity”, authored by James Carroll. The Note looks at how physical and transition risks might translate to the real economy and impact households, businesses, and the financial sector.

Amongst other things, the note considers physical and transition risks in a specifically Irish context. It finds that severe and more frequent flooding is a key physical risk for Ireland. The rate of increase in flooding is highly uncertain, although the risk itself will increase. Depending on the rate of flood adaptation, this may have implications for insurance decisions and, in turn, property values.

The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) publish their Final Report on disclosures for fossil gas and nuclear energy investments under SFDR

On 30 September, The ESAs published their Final Report with draft Regulatory Technical Standards (RTS) regarding the disclosure of financial products’ exposure to investments in fossil gas and nuclear energy activities under the Sustainable Finance Disclosure Regulation (SFDR). In the amending final draft RTS, the ESAs propose to add specific disclosures to provide transparency about investments in taxonomy-aligned gas and nuclear economic activities. These disclosures, which are in line with the definitions in the Complementary Climate Delegated Act, will help investors make informed decisions.

Specifically, the disclosures:

- add a yes/no question in the financial product templates of the SFDR Delegated Regulation to identify whether the financial product intends to invest in such activities; if the answer was yes, a graphical representation of the proportion of investments in such activities would be required; and
- implement minor technical revisions to the Delegated Regulation to correct inconsistencies observed after its publication.

The ESAs consider the existing disclosures in the SFDR Delegated Regulation sufficient for fossil gas or nuclear energy investments by financial products that are not covered by the EU Taxonomy.

The EC will now scrutinise the draft RTS and if deemed appropriate,endorse them within three months of their publication. Due to the urgency of the matter and the challenging application timeline of the Complementary Climate Delegated Act, the ESAs have left it to the EC to include an expected application date when they endorse the draft RTS.

Other updates

The CBI Publishes its September 2022 Newsletter

On September 2022, the CBI published its insurance newsletter for the third quarter of 2022. The newsletter by the CBI provides critical updates and insights in the insurance industry to stakeholders.

The September edition highlighted some key sustainable insurance updates including the updates to solvency II to integrate sustainability risks, EIOPA application guidance on climate scenarios in the ORSA and the CBI expectation of (Re)insurance Undertakings on Climate Change Risk. It also included key insights on the CBI's digital transformation agenda in the Insurance industry.

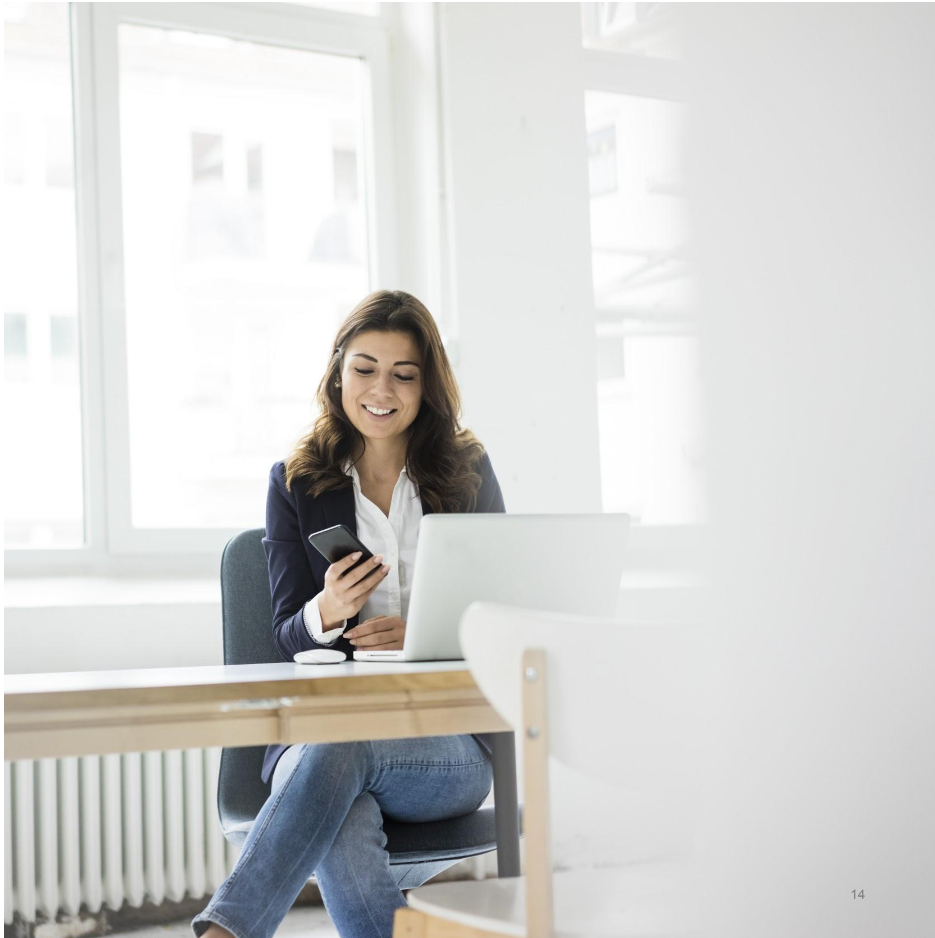
EIOPA Publishes European Insurance Overview 2022

On 20 September EIOPA published the 2022 European Insurance Overview report. The report is a user-friendly and accessible summary of the European (re)insurance industry, an addition to EIOPA's statistics services. The report is based on annually reported Solvency II information. This ensures that the data has a high coverage in all countries and is reported in a consistent manner across the EEA. The report is objective, factual and data driven and does not contain analysis or policy messages.

All indicators used in the report are calculated from the reported data from undertakings. While the topics and indicators covered is intended to be relatively stable over time, the report will be adapted to respond to changes in micro prudential and supervisory priorities.

It will therefore support the supervisory community and industry with highly relevant and easily accessible data at European level.

This report is based on Annual reporting for 2021.



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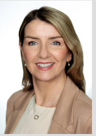

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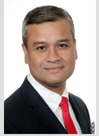

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