

# CONTINUITY OF THE INSURANCE SECTOR AND THE COVID-19 CRISIS - EIOPA'S STATEMENT

EIOPA in collaboration with the European Supervisory Authorities and the European Systemic Risk Board has developed a series of necessary approaches to enable the continuity of the insurance sector despite the COVID-19 crisis.

Various issues have affected insurance undertakings since the beginning of the COVID-19 crisis:

- (i) Dealing with difficult market conditions;
  - (ii) Maintain sector activities;
  - (iii) Take protective measures for employees and customers.
- Concerning the 2019 year-end reports, the competent national authorities (in Luxembourg: *Commissariat aux Assurances*, in France: *Autorité de Contrôle Prudentiel et de Résolution*, in Belgium: *FSMA, Autorité des services et marchés financiers*, and in Italy: the *IVASS, Istituto per la Vigilanza sulle Assicurazioni*) should be flexible regarding the timing of supervisory reporting and their public disclosure.
  - EIOPA will limit its information requests and consultations to the only necessary elements to assess and monitor the current market.
  - The deadline of the Holistic Impact Assessment for the 2020 Solvency II Review is postponed to June 1, 2020 (details on the deferral of additional reporting and information requirements will be provided shortly by the EIOPA).
  - In accordance with Solvency II<sup>1</sup>, insurance undertakings have sufficient eligible own funds to cover their Solvency Capital Requirements, in order to absorb significant losses and to ensure policyholders and beneficiaries payments as they fall due.
  - Recent stress tests have shown that the sector is well capitalized and able to withhold severe but plausible shocks to the system.

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<sup>1</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).

- The Solvency II framework provides other tools to mitigate risks and potential impacts to the insurance sector, these tools will be implemented by EIOPA and the various supervisory authorities if necessary.

The current situation related to the COVID-19 crisis is monitored by EIOPA, the European Supervisory Authorities and the Systemic Risk Board, and will implement, if necessary, new measures to enable the stability of the insurance sector and the safeguard of the protection of all policyholders.