

## PRESS RELEASE

### **AAE comments on EIOPA's consultation on integration of sustainability risks**

Brussels, 6 February 2019: The Actuarial Association of Europe (AAE) commented on EIOPA's consultation paper on "[Technical Advice on the integration of sustainability risks and factors in the delegated acts under Solvency II and IDD](#)" (EIOPA-BoS-18/483).

The general opinion of AAE is that issues related to sustainability are of great importance and that the underlying insurance legislation must recognize and even encourage insurers to change their business practices in a more sustainable direction.

EIOPA's consultation remained at a principles-based level of what could be required from insurers at the start. In the opinion of the AAE this seems to be a good approach. In any case, insurers (and pension funds) should be encouraged to make sustainable, carbon neutral/negative investments, but any detailed plan for introducing green supporting factors may not yet be in the development stage to implement.

Every change in legislation must encourage - and not force - the introduction of quick actions. Caution in this area could also help to prevent unwanted transition risk.

The AAE made several comments on the need to better define the concept of sustainability, suggestions for different sources and ways to be more accurate and asked for concrete examples. The AAE recognised a need to adopt a more holistic approach to how the insurance business could change as a result of changes in the environment and society. The AAE informed that the International Actuarial Association (IAA) is working on this and that the actuarial profession can clarify specific issues by producing actuarial standards or actuarial notes.

EIOPA had seventeen specific questions regarding Solvency II and IDD. The AAE focused on areas that considered Solvency II risk management, the actuarial function and the prudent person principle.

The AAE comments can be found [here](#). All other AAE Publications, including position papers, are available on the AAE website: [www.actuary.eu](http://www.actuary.eu)

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#### Notes for editors

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2. Copies of all AAE press releases are available on the AAE website ([www.actuary.eu](http://www.actuary.eu))
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