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EIOPA Consultation on the (re)assessment of natural catastrophe risk in the standard formula Summary of Key Messages



Consultation Summary Note

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<p>Purpose of the consultation</p>	<p>The primary goal of this consultation is to reassess and potentially recalibrate the natural catastrophe risk capital charges, reflecting the latest scientific evidence, recent catastrophic events, and the impact of climate change, ensuring the parameters of the standard formula remain valid and accurately reflect risks for insurance and reinsurance companies under Solvency II.</p>
<p>Issuing Authority</p>	<p>European Insurance and Occupational Pensions Authority (EIOPA)</p>
<p>Summary of the main messages</p>	<p>The AAE was generally supportive of EIOPA’s recommendations with certain suggestions made for specific risks and geographies. Member Associations who participated in the response provided specific comments in relation to their country for specific risks, where suggestions were warranted. It is noted that, due to the specificity of risks and geographies, it is not possible to capture specific comments and the reader should consider the full text via the link on the top right.</p> <p>In general, we emphasised the importance of a comprehensive and transparent recalibration processes for all natural catastrophe risks. This included suggestions for considering the latest data and models, integrating adaptation measures by insurers, and avoiding over-reliance on single models to mitigate and prevent instability. We also highlighted the need for clear differentiation in risk factors across different geographic zones to avoid potential market distortions.</p>
<p>Notes on disagreements</p>	<p>No notable disagreements or divergence of views were observed.</p>
<p>List of volunteers/contributors</p>	<p>AAE Non-Life Working Group (submitted by Christoph Krischanitz), Jerome Crugnola-Humbert (Chair of the AAE SCrR WG), Society of Actuaries Ireland (submitted by Michael Sharpe), Danish Actuarial Society (submitted by Conor O’Byrne), Institute of Actuaries Belgium (submitted by Daphne De Leval), Deutsche Aktuarvereinigung (submitted by Dorothea Diers), Norwegian Actuarial Association (submitted by Sandra Brännstam), Romanian Actuarial Association (submitted by Florin Ginghina).</p>
<p>Assigned Committees</p>	<p>Insurance and Risk Management Committees</p>
<p>Board Reviewers</p>	<p>Matthias Pillaudin and Frank Schiller</p>
<p>EIOPA deadline</p>	<p>20 June 2024</p>
<p>Submission date</p>	<p>12 June 2024</p>



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Silversquare North
Boulevard Roi Albert II 4
1000 Brussels, Belgium
www.actuary.eu

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