



AAE

ACTUARIAL
ASSOCIATION
OF EUROPE

EIOPA Consultation on the criteria for the identification of exceptional sector-wide shocks

AAE Consultation Response Summary





Consultation Summary Note

[Read the AAE Response](#)

[View consultation document](#)

[View consultation page](#)

<p>Purpose of the consultation</p>	<p>EIOPA has opened this consultation to establish regulatory technical standards regarding the criteria for identifying and assessing exceptional sector-wide shocks under Solvency II. The goal is to create a clear and consistent methodology for determining when such shocks occur and how insurers should respond. This consultation was part of the broader framework aimed at enhancing the resilience of the insurance sector in the event of significant, widespread market disruptions.</p>
<p>Issuing Authority</p>	<p>European Insurance and Occupational Pensions Authority (EIOPA)</p>
<p>Brief Overview of AAE Response</p>	<p>The AAE welcomed EIOPA’s initiative to establish criteria for identifying exceptional sector-wide shocks under Solvency II. We supported the need for a flexible framework to account for the unpredictability of crises but highlighted the importance of ensuring consistency across Member States to maintain a level playing field.</p> <p>The AAE raised concerns that divergences in interpretation could lead to inconsistent supervisory responses, potentially disadvantaging some insurers. It recommended that EIOPA introduce mechanisms to promote harmonisation, such as coordinated assessments or common benchmarks for supervisory authorities.</p> <p>The AAE also called for greater clarity on how these criteria would apply in practice, particularly in distinguishing between broad, systemic shocks and more localised, sector-specific disruptions. It suggested further guidance on the role of the European Systemic Risk Board (ESRB) in informing supervisory decisions and the integration of qualitative and quantitative indicators to enhance objectivity. Additionally, the AAE recommended including practical examples of past or hypothetical sector-wide shocks to improve the transparency and usability of the framework.</p>
<p>List of volunteers/contributors</p>	<p>Solvency II Working Group, Society of Actuaries Ireland, Dutch Actuarial Association, Institute of Actuaries in Belgium.</p>
<p>Assigned Committees WGs</p>	<p>Solvency II Working Group: Insurance and Risk Management Committees</p>
<p>Board Reviewers</p>	<p>Lutz Wilhelmy and Frank Schiller</p>
<p>EIOPA deadline</p>	<p>2 January 2025</p>
<p>Submission date</p>	<p>20 December 2024</p>



AAE

ACTUARIAL
ASSOCIATION
OF EUROPE

ACTUARIAL ASSOCIATION OF EUROPE

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

Follow us on [LinkedIn](#)
and X: @InfoAAE



ADVISING • ACHIEVING • ENGAGING