



## Consultation Summary Note

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<b>Purpose of the consultation</b>	This consultation addressed the integration of biodiversity risks into insurers' risk management frameworks. It aimed to raise awareness of the impact of biodiversity loss on insurance portfolios and the development of methodologies to assess, manage, and mitigate such risks effectively.
<b>Issuing Authority</b>	European Insurance and Occupational Pensions Authority (EIOPA)
<b>Summary of AAE Response</b>	<p>The AAE welcomed EIOPA's initiative to explore biodiversity risk management under Solvency II but emphasised that the field remained in its early stages and required a proportionate, phased, and practical approach.</p> <p>The AAE highlighted the diversity of views among its members, with some supporting integration of biodiversity and climate risks, and others recommending a separate but convergent assessment, at least initially, due to data and methodological challenges.</p> <p>The AAE broadly supported EIOPA's proposals, including assessing exposure to biodiversity-dependent and related activities with an economic impact. We supported the need for clear guidance and open-source tools to ensure accessibility and consistency, particularly for small and medium-sized insurers. Frameworks such as CSRD, TNFD, and ERS E4 were seen as important references.</p> <p>The AAE recommended that EIOPA supports further methodological development and clarity on metrics, risk narratives, and underwriting exposure. We cautioned against overly ambitious or prescriptive requirements and called for EIOPA to focus on governance principles and incremental steps, while accessibility to data is improved and methodologies are refined.</p>
<b>Contributors</b>	AAE Solvency II and Sustainability Working Groups including FMA Contributions from Croatia, Denmark, and Ireland.
<b>Assigned Committees WGs</b>	Sustainability and Climate-Related Risks WG and Solvency II Working Group: Insurance Committee and Risk Management Committee
<b>Board Reviewers</b>	Matthias Pillaudin and Frank Schiller
<b>Submission date</b>	24 February 2025