

To: Solvency II WG
From: Prudential Team
cc:
Date: 08-05-2025
Reference: ECO-SLV-25-159

Subject: EIOPA Insurance Risk Dashboard - April 2025

Summary

The secretariat reviewed EIOPA's latest [April 2025](#) dashboard and the corresponding [news article](#). A high-level summary is provided for members below.

The April 2025 publication shows that risks in the European insurance sector are **stable and overall at medium levels**, with pockets of vulnerabilities stemming from ongoing market volatility related to high **geopolitical uncertainty**.

- **Level** – There are no changes to levels compared to the January 2025 dashboard:
 - **Market** risk remains the only risk at a **high level** (orange). While bond volatility stabilised, it remains above historical standards.
 - All other risks remain at a medium level (yellow).
- **Trend** – All risks remain at a **constant level** trend:
 - This reflects a stabilisation compared to last quarter, when liquidity and funding risk, insurance risk and market perceptions were on an upward trend.
- **Outlook** – For **4 risks**, there is an increased risk development:
 - **Macro** risks: Geopolitical uncertainty and fragmentation may negatively impact the macroeconomic landscape
 - **Market** risks: At the start of April 2025, markets reacted sharply to the announcement of new U.S. tariffs on traded goods. Although some stabilization has followed, ongoing policy uncertainty and the risk of further escalation increase the likelihood of additional asset price corrections.
 - **ESG related** risks: Shifting environmental agreements are creating additional challenges to achieving long-term sustainability objectives.
 - **Digital & cyber** risk: Threat perceptions have increased, with geopolitical tensions remaining a key factor.
 - Only ESG related risk had an increasing risk outlook last quarter. The outlook remains constant for all other risks

Background

EIOPA's Insurance Risk Dashboard, based on **Solvency II data**, summarises the main risks and vulnerabilities in the European Union's insurance sector through a set of risk indicators. The data is based on financial stability and prudential reporting collected from insurance groups and solo insurance undertakings.

There are three aspects:

- **Level** – colour for the level of risk as of the reference date (yellow = medium, orange = high).
- **Trend** - for the 3 months preceding the reference date
- **Outlook** - for the 12 months after the reference date, based on the responses received from 23 NCAs and ranked according to the expected change in the materiality of each risk.