

To: Solvency II WG  
From: Prudential Team  
cc:  
Date: 03-02-2025  
Reference: ECO-SLV-25-046

Subject: EIOPA Insurance Risk Dashboard - January 2025

## 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.

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

## Data

For the January 2025 dashboard:

- Based on **93 groups** and **2153 solo** undertakings.
- The reference date for company data is **Q3-2024** for quarterly indicators and **2023-YE** for annual indicators.
- The Solvency II information is complemented with market data with cut-off date **end-December 2024**.

## Summary

The January 2025 publication shows that risks in the European insurance sector are **stable and overall at medium levels**, with pockets of vulnerabilities stemming from market volatility and shifts in real estate prices.

- **Level** – There are no changes to levels compared to the October 2024 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** – There are upward trends for **3 risks**:
  - **Liquidity and funding risks** - due to a gradual increase of risks across various indicators over the last year and the worsening of funding conditions in Q4 2024.
  - **Insurance risks** and **market perceptions** are the others to show upward trends.
  - All other risks remain at a flat trend.
- **Outlook** – There is a flat trend for all risks apart from **ESG related risks** as growing scepticism and evolving dynamics in environmental agreements make it more challenging to ensure consistent progress towards long-term sustainability goals.