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**Stress test results show European insurance industry is robust**

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The results of the second European insurance stress test published today by the European Insurance and Occupational Pensions Authority (EIOPA) confirm the robustness of the European insurance market and its ability to withstand severe stress scenarios.

The tests show that, in aggregate, Europe's insurers have a substantial solvency surplus (€425bn) which remained high even when the adverse scenario and the inflation scenario in the stress tests were applied (€275bn and €367bn respectively).

"It should also be borne in mind that the stress tests were based on an interim model (the fifth quantitative impact assessment, QIS 5) of the future Solvency II regulatory regime," said Michaela Koller, director general of the CEA, the European (re)insurance federation. "There were a number of flaws in that QIS 5 model that the European Commission has since addressed, including the more balanced calibration of certain requirements.

"The CEA has been and continues to submit technical feedback to EIOPA and the European Commission to finalise the details of the Solvency II regime."

Even under the interim model used in these stress tests, only 13 of the participating groups and companies did not meet the minimum capital requirement (MCR) in the stress scenarios. It should be remembered that in insurance the MCR consists of technical provisions plus an additional risk margin. The technical provisions alone are sufficient to ensure that all policyholder claims can be covered in full.

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