



Press Release

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EIOPA ISSUES SOUND PRINCIPLES FOR CRISIS PREVENTION, MANAGEMENT AND RESOLUTION

- *EIOPA aims to ensure that national supervisors develop their crisis prevention, management and resolution frameworks in a co-ordinated and consistent way;*
- *EIOPA's 14 sound principles reflect prudent practices and references for the insurance sector to be considered by NCAs when reviewing and further developing their frameworks;*
- *EIOPA will engage in a follow-up exercise with NCAs on this Opinion;*

Frankfurt, 1 December 2014 – The European Insurance and Occupational Pensions Authority (EIOPA) has published today an Opinion on Sound Principles for Crisis Prevention, Management and Resolution Preparedness of National Competent Authorities (NCAs). The Opinion is a follow-up to a survey* that EIOPA carried out in 2013 in order to obtain a better understanding of the current approaches and practices across the European Union.

EIOPA notes that NCAs have been or are currently introducing changes in their Crisis Prevention, Management and Resolution Frameworks as a result of the financial crisis and initiatives by the international institutions (Financial Stability Board, International Association of Insurance Supervisors). In order to ensure consistency and adequacy of those changes, EIOPA developed 14 principles that NCAs are expected to take into account.

The principles are related to specific powers, tools and institutional features aimed to enhance crisis prevention, management and resolution preparedness of NCAs. As such, the Opinion emphasises a range of issues including the

organisational setup and the emergency plans for crisis prevention and management, the development of recovery and resolution plans, the need to design early warning systems and to define triggers for intervention, as well as to have adequate resolution powers and communication strategies in place. In the document EIOPA also stresses the need to cooperate and share information with other relevant authorities.

Gabriel Bernardino, Chairman of EIOPA, said: *"By issuing this Opinion, EIOPA contributes to the creation of a solid and convergent system for preventing and managing financial crises in the EU. Later on, we will engage in a follow-up exercise with the NCAs to explore what actions have been taken in light of our Opinion. Only constant monitoring of new developments and adoption of new experience will allow us to reduce the likelihood and impact of potential future crises"*.

The Opinion is published on EIOPA's website under Publications/EIOPA Opinions.

Note for Editors:

Survey on Crisis Prevention, Management and Resolution Preparedness of NCAs (29 November 2013) preceded the current Opinion.

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established on 1 January 2011 as a result of the reforms to the structure of supervision of the financial sector in the European Union.

EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union.

EIOPA's core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.