

22 December 2020

Circular to Insurance and Reinsurance Undertakings - EIOPA outlines key financial stability risks and vulnerabilities for insurance and pension sector and recommends that any dividend distributions should not exceed thresholds of prudence

EIOPA has on 18 December 2020 issued a statement which outlines key financial stability risks and vulnerabilities for insurance and pension sector and recommends that any dividend distributions should not exceed thresholds of prudence.

EIOPA strongly recommends insurers to maintain extreme caution and prudence within their capital management. Any dividend distributions, share buy-backs or variable remunerations should not exceed thresholds of prudence and institutions should ensure that the resulting reduction in the quantity or quality of their own funds remains at levels appropriate to the current levels of risk.

The full text of the EIOPA Statement may be accessed [here](#).