



## Press Release

Luxembourg, 8 March 2018

### EU Auditors publish Background Paper on insurance market watchdog

The European Court of Auditors has today published a Background Paper on the European Insurance and Occupational Pensions Authority (EIOPA) and its contribution to supervision and financial stability in the EU insurance sector. Background Papers follow the announcements of audits and provide information on ongoing audit tasks. They are a source of information for those interested in the policy and/or programmes being audited.

Today's Paper contains an overview of the insurance market in Europe and the regulatory framework which governs it. There are also sections on EIOPA's organisation and operational environment, the resources allocated to it, and the scope of its activities.

The insurance industry forms a significant part of the EU's financial sector, managing assets that, according to EIOPA, are valued at around two-thirds of the EU's annual GDP. It contributes to economic growth and financial stability by taking on risks and mobilising savings. Failure on the part of insurance companies to play this role could potentially disrupt the operation of the financial sector and thus have a negative effect on the real economy and consumers' well-being.

*"This audit aims to examine EIOPA's contribution to a common insurance supervisory culture and the fostering of supervisory convergence in the European Union. This is of the utmost importance if we wish to better protect consumers of financial services and ensure a level playing field for insurance companies across the Member States", said Rimantas Šadžius, the Member of the European Court of Auditors responsible for the audit.*

The audit will include expert analysis in the area of stress testing, as well as surveys aimed at national authorities and insurance companies, and visits to insurance associations and other stakeholders. The audit report is expected to be published before the end of 2018.

*The purpose of this press release is to convey the main messages of the European Court of Auditors' background paper. The full paper is available at [www.eca.europa.eu](http://www.eca.europa.eu).*

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## Note to Editors

The 2008 financial crisis illustrated that the European Union (EU) was not yet adequately equipped to ensure effective cooperation and coordination between national financial supervisory bodies, or consistent application of the EU legal framework across all Member States. Three European supervisory authorities were established after 1 January 2011 to improve financial supervision at European level. One of them was the European Insurance and Occupational Pensions Authority (EIOPA). EIOPA's main goals include ensuring an effective and consistent level of regulation and supervision across the EU, improving consumer protection, fighting systemic risks, rebuilding trust in the financial system, and strengthening the oversight of cross-border insurance groups.