

# Media advisory – Foreign Affairs Council of 10 May 2021



## **Indicative programme**

from 08.00

Arrivals ([live streaming](#))

+/- 08.45

Doorstep by High Representative Josep Borrell

**+/- 09.30**

**Beginning of the Foreign Affairs Council (roundtable)**

Adoption of the agenda

Approval of “A” items:

a) Non-legislative list

b) Legislative list (+/- 09.35 [public session](#))

Current Affairs

Western Balkans

Transatlantic relations

Other business

**At the end of the meeting (+/- 16.30) press conference in [live streaming](#).**

## **Arrangements for the press conference**

Please note that there will be no physical press conference. EU accredited journalists will be able to ask questions remotely using [this link](#).

Journalists who already registered for previous Foreign Affairs Council press conferences do not need to register again.

**Deadline: Monday, 10 May 2021, 15.30**

Further instructions will be sent to all registered participants approximately half an hour after the deadline.

[Videos and photos from the event](#)

[Visit the meeting page](#)

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## **ACRA EUROPE'S CRA REGISTRATION WITHDRAWN**

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has today [withdrawn](#) the credit rating agency (CRA) registration of ACRA Europe, a.s. (ACRAE).

The withdrawal decision follows the official notification sent to ESMA by ACRA Europe, a.s. on 1 April 2021 of its intention to renounce its registration as a CRA under the conditions set out in Article 20(1)(a) of the CRA Regulation (CRAR). ESMA confirms that ACRA Europe, a.s. has effectively stopped its rating activities.

Point (a) of Article 20(1) of the CRA Regulation provides that without prejudice to Article 24, ESMA shall withdraw the registration of a credit rating agency where the credit rating agency "expressly renounces the registration or has provided no credit ratings for the preceding six months".

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## **EIOPA launches its 2021 insurance stress test**

The European Insurance and Occupational Pensions Authority (EIOPA) has launched its 2021 insurance stress test for the European insurance market today. Insurance stress tests assess the resilience of the European insurance market in case of adverse financial and economic conditions and identify the market's vulnerabilities.

The 2021 stress test focuses on a prolonged COVID-19 scenario – in a "lower for longer" interest rate environment. The scenario, developed in cooperation with the European Systemic Risk board (ESRB), will assess the impact of economic consequences of the COVID-19 pandemic, which affect confidence worldwide and prolong the economic contraction. The stress test will evaluate both the impact on the capital and the liquidity position of the undertakings in scope.

The objectives of the 2021 stress test are:

- To assess the resilience of participants to adverse scenarios from a capital and liquidity perspective to provide supervisors with information on whether the insurers are able to withstand severe but

plausible shocks;

- To consider possible recommendations to the industry and to allow supervisors to engage with insurers on potential remedial actions;
- To complement the microprudential assessment with the estimation of potential spill-over from the insurance sector triggered by widespread reactions to the prescribed shocks.
- The 2021 exercise includes 44 European (re)insurance undertakings: the companies were selected based on size, EU wide market coverage, business lines conducted (life and non-life business), number of represented jurisdictions and secondly local market coverage. In total the target sample, defined in cooperation with the national competent authorities, covers 75% of the European Economic Area based on total assets in the Solvency II.

EIOPA is now carrying out a Question and Answers process to provide further clarifications to participants. The stress test results are planned to be published in December 2021.

Peter Braumüller, Vice-Chair of EIOPA, said: *“This stress test is of particular importance because it assesses the resilience of the solvency and liquidity positions of the European insurers against an adverse scenario that could materialise in the aftermath of an economic crisis and in a period of high uncertainty. The scenario reflects severe but plausible shocks and will bring results that will shed light on the resilience of the European insurance sector. However, the exercise should not be considered a pass-or-fail exercise”.*

[Learn more about the stress test](#)

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## **Stop the spread! Could diagnostic antigen tests help control COVID-19 transmission in workplaces?**

The findings are presented in a [new joint technical report](#), which includes a survey of EU-OSHA’s focal points on the current use of rapid antigen tests in a workplace context in the EU/EEA. It builds on the body of knowledge regarding the use of rapid antigen tests provided in ECDC reports.

The report shows that rapid antigen testing can help reduce the spread of the virus in high-risk indoor workplaces. However, the report stresses that testing cannot replace other safety and health measures and should be used to complement them.

It also highlights the importance of careful planning and involving employers, workers, occupational safety and health authorities, public health

authorities and occupational health services in the design of a testing strategy for the workplace before implementation.

**Read the report to find out more**

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## **[Risk Dashboard: European insurers' risk levels remain broadly stable](#)**

The European Insurance and Occupational Pensions Authority (EIOPA) published today its [Risk Dashboard based on the fourth quarter of 2020 Solvency II data](#).

The results show that insurers' exposures to macro risks remain at high level while all other risk categories remain at medium level. The European supervisors expect an increase in credit risks over the next 12 months, reflecting concerns over corporate indebtedness.

With regards to macro risk, Gross Domestic Product growth and inflation forecasts registered new upward revision. The long-term yields have increased across currencies in the first quarter of 2021. Financial markets remain broadly stable, amid an increase in bond volatility and concern over commercial real estate investments.

Solvency positions for life business showed an improvement, while non-life business slightly deteriorated. Insurers' profitability, measured by the return on assets and the return on excess of assets over liabilities improved due to positive market performance. Despite this improvement the insurers' profitability remained lower compared to pre-COVID levels.

Insurance risks remain at medium level in spite of the deterioration of some indicators. The catastrophe loss ratio significantly increased and year-on-year premium growth for non-life continued deteriorating. On the other hand, year-on-year premium growth for life reported a slight recovery after the deterioration in the previous quarters.

Market perceptions remain at medium level with an increasing trend. The insurance sector, both life and non-life, underperformed the stock market in the first quarter of 2021.