

EIOPA urges (re)insurers to temporarily suspend all discretionary dividend distributions and share buy backs

Today, the European Insurance and Occupational Pensions Authority (EIOPA) has published [a statement on dividends distribution and variable remuneration policies in the context of COVID-19](#).

Taking due account of the current level of uncertainty on the depth, magnitude and duration of the impacts of COVID-19 in financial markets and on the economy, EIOPA urges (re)insurers to temporarily suspend all discretionary dividend distributions and share buy backs aimed at remunerating shareholders.

This suspension should be reviewed as the financial and economic impact of the COVID-19 starts to become clearer. This prudent approach should also be applicable to the variable remuneration policies.

The statement builds on [EIOPA's statement of 17 March](#) which stressed the importance of insurers preserving their capital position in balance with the protection of the insured, following prudent dividend and other distribution policies, including variable remuneration.

The statement represents one of a series of measures that EIOPA is recommending, in close cooperation with national supervisory authorities, to mitigate the impact of the Coronavirus/COVID-19 outbreak on the insurance sector, policyholders and beneficiaries.

[Read the statement](#)