

## **Risk Dashboard: European insurers slightly less exposed to risks compared to the beginning of COVID-19 outbreak but concerns remain**

Today the European Insurance and Occupational Pensions Authority (EIOPA) published its updated Risk Dashboard based on the second quarter of 2020 Solvency II data.

The results show that the risk exposures of the European Union insurance sector slightly reduced, compared to July risk assessment. Insurers are particularly exposed to very high levels of macro risk, while market, credit, profitability and solvency risks decreased to medium level. However, the risk assessment does not account for the outbreak of the second wave of the pandemic.

With regard to macro risk, Gross Domestic Product (GDP) growth forecasts at the end of September show the strongest expected decline in the last quarter of 2020 and first recovery in the second quarter of 2021. The effects of the new wave of the pandemic might skew further downward GDP growth. The unemployment rate remained at the very high level in July. The 10 year swap rates indicator decreased reaching new lows. Inflation remains at a low levels and a decrease is forecasted for the next three quarters.

The stabilization of the financial markets at the end of the third quarter 2020 partially eased the challenging situation for European insurers: market and credit risk indicators have stabilised at the end of September 2020. The price gap between stocks and the economic outlook remain a concern, as it could result in sharp valuation adjustments. The credit worthiness of the assets in insurers' portfolios is under close monitoring. The outlook of those risk categories reflects information available until the third quarter 2020.

Profitability and solvency risks, decreased to medium level. SCR ratio for groups slightly improved from the first to second quarter of 2020, amid remaining at lower levels than in the last quarter of 2019. All half-year profitability indicators, which now include the first months of the COVID-19 crisis and their impact on financial returns, show the expected signs of deteriorations.

Insurance risks remain at medium level, driven by general concerns over decrease in premium growth, and in some Member States over reserve adequacy. More specifically, year-on-year premium growth for life reported a significant deterioration for the second consecutive quarter, indicating already a negative impact from the COVID-19 outbreak.

While market perceptions exhibit a decreasing trend, they are still at medium

level. Since June 2020, stocks of life and non-life insurance outperformed relative to the market. The median price-to-earnings ratio of insurance groups in the sample slightly increased dispersing from the low levels reached in the first half of 2020.

[Go to the risk dashboard](#)

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## [European bilateral development finance institutions and EIB launch EUR 280 million financing initiative to support Covid-19 impacted business](#)



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As part of Team Europe's response to the Covid-19 pandemic, eleven members of EDFI, the Association of European Development Finance Institutions<sup>[1]</sup>, are strengthening cooperation with the European Investment Bank (EIB) to create a new dedicated Covid-19 financing initiative through the existing European Financing Partners (EFP) scheme. The EUR 280 million initiative will support financial institutions and businesses in developing countries and ensure continued business investment.

*“Increasing targeted support for private sector investment around the world is crucial to strengthen the resilience of companies and communities most impacted by Covid-19. The European Investment Bank is pleased to join forces with development finance partners from across Europe to build on the successful track record of European Financing Partners. The EUR 280 million of new Covid-19 through EFP support represents a further milestone in Team Europe’s rapid response to support partners around the globe,”* said **Ambroise Fayolle, European Investment Bank Vice-President.**

The dedicated support enables EDFI members and the EIB to scale up robust and targeted support for businesses in developing and emerging markets and assist local financial partners most impacted by Covid-19. The initiative will start operations in November with an initial amount of EUR 280 million. It has been designed to provide additional support to address challenges faced by companies suffering from the economic consequences of the pandemic.

Launched in 2003, EFP has demonstrated how financial support can be provided using an efficient and fast track process with low administrative overheads. EFP enables large-scale investment in developing countries to be supported while reducing the risk faced by individual development finance institutions.

Since its launch, the partnership between development finance partners and the EIB has supported sustainable private sector investment in 43 projects, with a total value of EUR 590 million across countries included in the OECD DAC list.

The new dedicated Covid-19 initiative builds on this excellent track record to pool resources, facilitate and streamline financial cooperation to face the current crisis

Forty percent of the EFP financing so far has been allocated to financial intermediaries, and infrastructure and agribusiness represent other key sectors. While financial institutions are expected to feel the negative consequences of Covid-19 more strongly over time, they are also essential to implement government’s backed business support. In order to withstand any liquidity crunch, short-medium term financing may be required. Providing effective recovery solutions cannot be achieved without a well-functioning financial sector. Strengthening the impact of EFP to address new challenges caused by Covid-19 represents an important component of the response, as it will allow financial institutions and to mobilise additional resources and diversify their operations while reaching a broader spectrum of individuals in need.

*“Co-financing between development finance institutions is an important component of the Team Europe’s response. Building up on the long-lasting strategic partnership we have with the EIB and the success of our existing EFP facility, it has emerged as the preferred platform to offer emergency support financing to crucial sectors such as energy, infrastructure, financial intermediaries, manufacturing, agri-business and services,”* said **Bruno Wenn, EDFI Chair.**

**About EDFI, the Association of European Development Finance Institutions**

EDFI is the Association of 15 bilateral European development finance institutions that invest in the private sector in emerging and frontier markets to create jobs, boost growth, and fight poverty and climate change. Since EDFI was set up in 1992, its member institutions have financed app. 15,000 projects, and they now manage a combined investment portfolio of EUR 46 billion across financial services, clean energy, industry and many other sectors in more than 100 countries. EDFI's member institutions include BIO (Belgium), BMI-SBI (Belgium). CDC Group (UK). COFIDES (Spain), KfW-DEG (Germany), Finnfund (Finland), FMO (Netherlands), IFU (Denmark), Norfund (Norway), OeEB (Austria), Proparco (France), SIFEM (Switzerland), Simest (Italy), SOFID (Portugal), and Swedfund (Sweden). [www.edfi.eu](http://www.edfi.eu)

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[1] BIO (Belgium), COFIDES (Spain), KfW-DEG (Germany), Finnfund (Finland), FMO (Netherlands), IFU (Denmark), Norfund (Norway), OeEB (Austria), Proparco (France), SIFEM (Switzerland), and Swedfund (Sweden).

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**Removing the scars of antisemitism remains as relevant as ever**



In [FRA's survey of Jews](#) in 12 EU Member States, 85% believe that antisemitism has increased in their country over the last five years. Almost 40% have considered emigrating because they did not feel safe as Jews.

In a separate EU-wide [Eurobarometer survey](#), half of the respondents say that antisemitism is a problem in their country.

A further worry is how antisemitic conspiracy theories and disinformation surrounding the coronavirus pandemic are fuelling hate speech online. People are blaming Jews for creating and spreading the virus. Some even claim Jews use the pandemic for profit.

This serves to underline the clear need to tackle hate speech and hate crime towards Jews.

The EU, its Member States, educational practitioners and civil society organisations need to work together to combat the phenomenon.

Fundamental rights promotion and wider educational efforts play a pivotal role in this.

At a time when COVID-19 is robbing us of many older people, including Holocaust survivors, we run the risk of accelerated memory loss about the Holocaust.

Holocaust and human rights education is crucial. It can teach younger generations about citizenship and remembrance by drawing on lessons from history.

It can also promote the values enshrined in the EU Charter for Fundamental Rights, including freedom, tolerance and non-discrimination.

This learning process is vital for fostering a fundamental rights culture in the EU. It is also vital for eradicating antisemitism, and for honouring and safeguarding the Jewish communities that have long been a vibrant part of European society.

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## [Statement by President Charles Michel on the 2020 US Presidential elections](#)



The EU is closely following the Presidential and Congressional elections in the United States.

We take note of the latest development in the electoral process. On this basis the EU congratulates President-elect Joe Biden and Vice President-elect Kamala Harris on reaching enough Electoral Votes.

We welcome the record voter turnout.

We follow the process of certification of results and are confident that the US electoral system will soon announce the final outcome.

The EU underlines, once again, its commitment to a strong transatlantic partnership and stands ready to engage with the elected President, new Congress and Administration.

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## [Media advisory – Video conference of ministers of Trade, 9 November 2020](#)



### **Indicative programme**

9.00

Beginning of the video conference of ministers of Trade, 9 November

- Discussion on trade relations with the United States.
- Review recent developments related to the trade policy review exercise and the World Trade Organisation (WTO) reform.
- Trade relations with China.
- Progress achieved on on-going legislative files ([public session](#) at +/- 13.10)

At the end of the meeting (+/- 14.00) – 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** provided they have registered in advance.

If you have not registered yet for any previous video conference of ministers of Trade, please do it now through [this link](#), so that you can receive further instructions about the connection and ask questions remotely if you wish.

**Deadline for registration: Monday , 9 November 2020, 13:00.**

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

[Visit the meeting page](#)