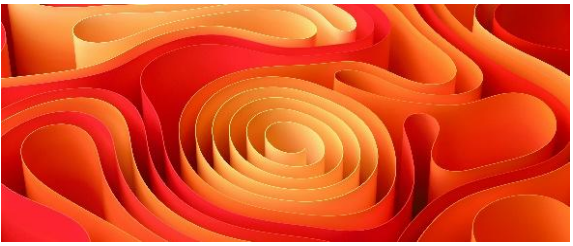
Pills

Regulatory/Supervisory Pills | N.155 October 2026

Author: Dario Esposito



TOPICS:

Climate risk

SOURCE:

European Insurance and Occupational Pensions Authority

EIOPA Names Extreme Heat as the Key Climate-Related Risk for Life and Health Insurers and Pension Providers

- This report assesses how **climate change** could affect **mortality, morbidity and longevity**, and consequently the liabilities of life and health insurers and institutions for occupational retirement provision (IORPs). **Heatwaves are identified as the most significant climate-related health risk in Europe**, accounting for 97% of EU-27 fatalities from weather- and climate-related extremes since 1980. Wildfire smoke and vector-borne diseases are also important emerging risks.
- EIOPA concludes that climate-related impacts are **not currently considered material for insurance and IORP solvency**, but their significance could increase as Europe warms and its population ages. Effects will vary by product: increased mortality can raise liabilities for death-benefit insurance while potentially reducing liabilities for longevity products such as annuities. Climate-related health impacts may also affect IORP longevity assumptions, funding dynamics and pension sustainability.
- The report develops an illustrative heatwave risk methodology combining **hazard, vulnerability and exposure**, using Solvency II technical provisions. However, current line-of-business data are too limited and aggregated to support firm supervisory conclusions. More granular exposure data and improved mortality and vulnerability modelling are required.
- Finally, EIOPA finds that industry awareness has increased, but explicit treatment of life and health climate risks in insurers' **ORSAs remains limited**. It highlights the growing importance of forward-looking scenario analysis, stress testing, improved data and modelling, prevention measures, and public-private cooperation.