

A strong insurance sector for a strong Europe

Insurance is Europe's strategic asset

We are living in a world of growing fragmentation and persistent geopolitical uncertainty. Europe must respond with clarity and ambition. Building a resilient and united Union is essential to address economic, digital, social, and demographic challenges while preserving the integrity of the Single Market in an increasingly competitive global environment. Delivering this requires mobilising Europe's full economic and financial strength.

Insurance plays a central role in Europe's economy. By enabling citizens and businesses to manage risk, the sector supports stability and responsible innovation. With **€9.5 trillion invested in the economy – 70% of it within the EU** through equity, corporate and sovereign bonds – it is a cornerstone of Europe's long-term financial resilience. It powers the Single Market, strengthens economic autonomy, and deepens cross-border integration. Through savings and retirement products, which represent roughly 70% of retail investment in Europe, the sector also boosts household participation in capital markets, and provides essential occupational and personal pension solutions.

While the EU has lost global ground in other financial services sectors, it is home to over **30% of the global champions in insurance and reinsurance** in addition to strong domestic markets. Europe represents 30% of the global insurance business and 50% of the global reinsurance business¹. **Preserving the strategic leadership of European insurers and reinsurers is preserving Europe's leadership.**

The Savings and Investments Union: time for greater recognition of insurance's role

The Savings and Investments Union (SIU) is Europe's opportunity to deepen its capital markets and channel savings and investments to the benefit of citizens and businesses. Ambition must now be translated into concrete measures, including at national level. **A successful SIU must recognise and strengthen the contribution of the insurance sector:** an industry that mobilises substantial, patient capital to develop our communities, help families look to the future with confidence, supporting Europe's competitiveness every day.

The EU has committed to several initiatives to revitalise medium- and long-term savings. This is welcome, but efforts to boost retail participation, such as the Savings and Investments Accounts (SIA), must ensure that consumers have access to the broadest range of solutions, including insurance. The renewed focus on pensions is equally important. To deliver on this ambition, the Pan-European Personal Pension Product (PEPP) must recognise insurers' central role and respect national specificities, giving providers the flexibility to design solutions that meet people's long-term needs.

Delivering the SIU requires a more decisive approach: one that empowers citizens to save and invest in ways that reflect their needs and expectations.

¹ Swiss Re Sigma reports; IAIS Global Insurance Market Reports; Insurance Europe, "European Insurance in Figures".

Simplify to compete

A strategic imperative for a stronger Single Market

We all share the ambition of building a resilient and united Union. To achieve it, competitiveness must be the compass that guides our action. Yet in recent years, a proliferation of overlapping obligations across multiple legal frameworks has developed. Complexity has become the enemy of progress: it drives people away, stifles innovation, and burdens businesses. Europe needs rules that make sense, rules that empower rather than hinder those who drive our economy forward.

Regulation must strike the right balance: rigorously assessing its impact on businesses and citizens while advancing EU policy objectives and safeguarding Europe's competitiveness. The Union's target of reducing administrative burdens by 25% should serve a clear benchmark. In this context, strict and consistent application of the **"One in, One out"** principle is essential to manage the costs of new rules and maintain a stable, predictable regulatory environment.

As part of its SIU agenda, the Commission has rightly called on the European Supervisory Authorities (ESAs) to make full use of the tools at their disposal to implement the simplification agenda. To be effective, however, their mandates must be clearly defined and proportionate, ensuring that implementing measures serve their intended purpose rather than expand or reinterpret political agreements reached by co-legislators. **Competitiveness should also be anchored explicitly in the ESAs' founding regulations**, standing alongside financial stability and consumer protection as an objective when advising on regulation. Simplification should reduce regulatory accumulation and duplication, rather than lead to additional layers of supervisory requirements or new reporting obligations.

Better regulation all the way

Simplification must underpin the entire legislative process and be deeply rooted at the very core of EU law-making. Impact assessments should consistently incorporate an analysis of global market dynamics and geopolitical developments, and this scrutiny must continue throughout negotiations – including for implementing measures. To ensure credibility, impact assessments must remain fully independent.

No new rules without clear justification. No new rules without demonstrable benefits.

And when evidence shows that costs outweigh the gains, or that a political agreement has become unworkable, the EU must be prepared to **pause, revise, or withdraw**.

Challenging sequencing and tight implementation timelines pose significant difficulties for European businesses. Delays in finalising technical specifications and overlapping application dates hinder businesses' ability to implement requirements in an orderly and proportionate way, ultimately generating legal uncertainty, undermining competitiveness and adding unnecessary costs for businesses and consumers.

This trend is often coupled with **extensive delegations of power to the ESAs**, increasing their influence over regulation and shifting key decisions to technical rule-making, supervisory convergence, or even enforcement. It is important to acknowledge that the 25-year-old **Lamfalussy process no longer fulfils its intended objectives** – namely, speeding up and streamlining financial services legislation. Today, it often achieves the opposite.

National policymakers also have a responsibility. **Every instance of gold-plating should be clearly justified**, ensuring that any additional requirements are both proportionate and genuinely necessary. This is essential to maintain regulatory consistency across Member States, reduce unnecessary burdens, and enhance legal clarity and predictability within the Single Market.

Finally, reporting obligations must follow a simple principle: **report once, in one format**. Given the strong interconnections across today's regulatory framework, full implementation of the **"Once-Only"** principle should be a priority. Public authorities must be able to exchange verified data and documents directly across Member States, preventing repeated submissions and reducing administrative burdens for citizens and businesses alike.

A simplification package for financial services

European insurers and reinsurers therefore reaffirm their firm commitment to engage constructively with the EU institutions to turn today's political momentum on simplification into concrete results.

We strongly support the call, endorsed by EU leaders, for a genuine simplification package for financial services that delivers visible, measurable reductions in regulatory burdens.

To be effective, these efforts must concentrate on a limited set of high-impact priorities, with some suitable for inclusion in a **Financial Services Omnibus**.

Pending negotiations: avoiding new and additional regulation where possible

- Withdrawal of Financial Data Access (FiDA)
- Not pursuing minimum harmonisation of Insurance Guarantee Schemes (IGS)

Simplification of existing legislations

- Introducing a "stop-the-clock" on the Insurance Recovery and Resolution Directive (IRRD) to reassess scope, proportionality and implementation timelines.
- Without compromising the political agreement, and acknowledging the progress achieved with the Solvency II review, targeted adjustments to Solvency II Pillar 2 and Pillar 3 requirements, consistent with the objectives of the simplification agenda.
- Further simplification of the EU Green Taxonomy framework to reduce excessive reporting burdens.
- Addressing disproportionate accounting and audit rules, in particular the treatment of SMEs.
- Avoiding overlaps and reducing bureaucracy under the Digital Operational Resilience Act (DORA).

These changes would significantly strengthen the sector's ability to focus on what truly matters: channeling long-term investment into Europe's strategic priorities (green and clean technologies, innovation, defence capabilities, and the energy transition) while ensuring adequate protection for businesses and households.

They would also demonstrate that Europe is serious about enhancing competitiveness, strengthening its Single Market, and ensuring that regulation empowers, rather than hinders, Europe's economic resilience.

Insurance Europe is the European insurance and reinsurance federation. Through its 39 member bodies — the national insurance associations — it represents insurance and reinsurance undertakings active in Europe and advocates for policies and conditions that support the sector in delivering value to individuals, businesses, and the broader economy.



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