

Insurance Europe response to EC call for evidence on fostering EU market integration and efficient supervision

Our reference:	EXCO-CMU-25-046	Date:	05-06-2025
Referring to:	Savings and Investments Union: Regulation fostering EU market integration and efficient supervision		
Related documents:	Savings & Investments Union – EU rules to foster market integration and efficient supervision		
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Pages:	2	Transparency Register ID no.:	33213703459-54

Introduction

Insurance Europe welcomes the European Commission (EC)'s effort and ambition to build a Savings and Investments Union (SIU). European insurers can play a key role in achieving the SIU goals: they provide protection to citizens and businesses, help people save for old age, are a major long-term investor in the EU economy – with €9.5trn, invested in equity, corporate and sovereign bonds.

Insurance Europe welcomes the EC's efforts to foster more integrated, deeper and efficient EU capital markets by removing regulatory, supervisory and operational barriers hindering key market players and infrastructures.

The regulatory environment must underpin European businesses' ability to maintain their competitiveness and to contribute to the EU's objectives of innovation and sustainable growth. In this respect, Insurance Europe welcomes the EC's focus on regulatory simplification and the clear target to reduce reporting burdens by at least 25%. Excessive and overlapping regulation limit the companies' ability to innovate, grow and invest, and its costs are ultimately borne by consumers. In this respect, the 'Omnibus sustainability simplification package' presented by the EC in February 2025 is a positive and crucial first step towards simplifying and improving EU rules. It is vital that the objective to improve competitiveness, to avoid new regulatory burdens and reduce existing ones, is also fully applied to ongoing regulatory developments. For example, key proposals currently in the process of development or finalisation, including the Retail Investment Strategy (RIS), the Financial Data Access (FIDA) regulation will add significantly to insurers' already high regulatory burden.

The regulation and supervision of insurers should be designed to take into account the specific features of insurance. This will ensure that the insurance regulatory regime is focused on the right risks and, ultimately, that consumers and society at large can continue to reap the benefits of a resilient, efficient, innovative, and reliable insurance sector. It is thus important to refrain from simply copying the approaches developed for other sectors.

Insurance is captured in a multitude of sector-specific regulations. For this reason, regulation should not be produced in a "silo" that does not take account existing laws in all areas affected by it. For example, current proportionality frameworks are not sufficiently tailored to the specifics of the insurance sector. This leads to very



small insurance undertakings being subject to the same requirements as global players in the real economy – an imbalance that must urgently be addressed.

When it comes to supervision, the industry supports continued national oversight and efforts by National Supervisory Authorities (NSAs) and EIOPA to use existing tools to continue convergence efforts, while respecting the flexibilities recognised by the regulatory texts as necessary. With respect to convergence tools, Insurance Europe considers that the tools currently at EIOPA's disposal are sufficient and in some cases some potential improvements may be needed to improve their efficiency, eg as regards guidelines and questions and answers.

National supervision and local market knowledge is particularly relevant for insurance because the need for and design of many insurance products vary nationally. This is because of the strong links of insurance to national tax, pension, health, judicial, liability and social security systems. The industry has previously acknowledged the need for targeted improvements in cross-border supervision. The Solvency II review will introduce changes to enhance cooperation and coordination between home and host supervisors. The industry supports evaluating the effectiveness of these changes before assessing whether further action is needed.

Beyond this, in the context of simplification, the industry welcomes the call of the EC on the ESAs and National Competent Authorities to make full use of currently available tools and implement the simplification agenda as outlined in the EC Simplification Communication.

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.