

## New reporting for Value for Money (VfM) is unnecessary

The Retail Investment Strategy (RIS) proposals require new reporting requirements to assess the Value for Money (VfM) of insurance-based investment products (IBIPs) through benchmarks and peer-grouping comparisons. In parallel, the European Insurance and Occupational Pensions Authority (EIOPA) in its [revised methodology](#) on VfM benchmarks (October 2024), highlighted its intention to also refine and adjust the questionnaire of the Cost and Past Performance (CPP) report for the purpose of the benchmarking exercise – potentially meaning that more granular data will be requested from insurers.

However, these requirements are unnecessary, disproportionate and would only increase the reporting burden on insurance companies without any proven benefit. This is because a substantial amount of data is already available through the Key Information Document (KID), which can include up to 119 datapoints, and the extensive Solvency II reporting, which comprises thousands of datapoints. The KID is also accessible on insurers' websites, and from 1 January 2028, the European Single Access Point (ESAP) will further enhance the readability of those indicators.

In addition, the [Solvency II reporting template S.14.01](#) (see pages 129-130), which was expanded for Q4 2023 reporting, provides EIOPA with more detailed product-specific information. EIOPA also gathers Solvency II-based retail risk indicators (see [here](#)), and some national authorities impose further national reporting requirements.

*"The importance of the data from Solvency II has been gradually increasing over time and this data is currently extensively used for the drafting of the EIOPA Consumer Trends Report and broadly to perform market monitoring supervision... different analysis has confirmed that with appropriate assessments this source of information can be a good proxy to identify market trends and areas of possible concerns."*

[ESAs advice on the review of the PRIIPs Regulation](#) (April 2022)

Given this extensive existing data, the proposed additional reporting requirements are redundant. Increasing the reporting burden and red tape would undermine competitiveness, and unnecessarily escalate the complexity and costs for insurers, which would ultimately be borne by the consumers. It would neither be justified nor proportionate, especially considering the European Commission's commitment to reduce the reporting burden on market players by 25% and for small and medium-sized enterprises (SMEs) by at least 35%.

Instead, supervisors should focus on initial market screenings to identify outliers and subsequently conduct further investigations where needed.









**KID**








**Solvency II**

## Demonstration of data that are already available

Insurance Europe provides below a demonstration of data that are already available to authorities, which would be sufficient to fulfil the type of information deemed necessary by EIOPA in its [revised methodology on VFM benchmarks](#) (Product clusters and indicators, October 2024):

Product clusters - Essential features	Available in the KID ( <a href="#">link</a> )?	Available in Solvency II ( <a href="#">link</a> )?
Product category	 ("What is this product?" section)	 at product level (eg C0030 – Line of Business, C0101 – product classification)
Premium frequency	 (Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	
Recommended holding period (RHP)	 (RHP)	 at product level (C0142 - remaining contractual maturity)
Biometric cover	 (Insurance benefits, which would become even more accessible under the new "Product at a glance" dashboard proposed by the RIS)	Likely possible to define based on C0101 – product classification
Asset class (equity, asset allocation funds, rest)	The Objectives section in the KID mentions the assets in which the money will be invested. Where applicable, information can be found in the Specific Information Document for Multi-Option Products	
Summary risk indicator (SRI)	 (SRI)	

Indicators	Available in the KID ( <a href="#">link</a> )?	Available in Solvency II ( <a href="#">link</a> )?
Total entry costs/total premium	The entry cost is available as Reduction in Yield (RiY) and the total premium as example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums	Certain info can be taken at product level (C0071 – Commissions paid)
Total entry costs/total costs	The entry cost is available as RiY and the total cost as both RiY and EUR	
Total cost paid/premiums	 (Total cost in EUR which includes distribution costs/Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	
RiY at intermediate time periods		
Surrender value/total premium	 (Moderate performance scenario/Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	 at product level (C0200 – Surrender value)
Annual Internal Rate of Return (IRR) according to the PRIIPs methodology	The moderate performance scenario can be used for similar assessments	
Insured event scenario/total premium	 (Death performance scenario/Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	
Average annual return of the investment needed to break even (the return should be net of underlying investment costs and biometric premium)	The RIY expresses the impact of costs on returns and can be used for similar assessments	

The KID can be used also for other information (eg guarantee, sustainability objectives, intended retail investor), as well as Solvency II reporting per product (eg sustainability features, pension, total amount of commissions paid during the year, best estimate and technical provisions as a whole, surrender value, guaranteed rate, exit conditions at reporting date, premiums).

# Where to find the data in the PRIIPs Key Information Document (KID)

## Key Information Document

**Purpose**  
This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

**Product**  
Investor (EUFN 00001234567) by European Insurance Company, the issuer information, please contact European Insurance Company, Rue Bellard 225, 1000 Brussels, Belgium. T: +32 (0) 234567890, C: +32 (0) 234567890, E: info@europeaninsurance.com

**What is this product?**  
Insurance-based investment product

**Type**  
Insurance-based investment product

**Objectives**  
Information stating the objectives of the PRIIP and the means for achieving those objectives in the section entitled "What is this investment product?"

**Insured retail investor**  
The issuer of the PRIIP is the European Insurance Company, which is regulated by the competent authority in Belgium. The issuer of the PRIIP is the European Insurance Company, which is regulated by the competent authority in Belgium. The issuer of the PRIIP is the European Insurance Company, which is regulated by the competent authority in Belgium.

**Insurance benefits and costs**  
The details of insurance benefits in the section entitled "What is this investment product?".

**Terms**  
This PRIIP has a term of 5 years.

**Risk indicator**

Higher risk

**What are the risks and what do I get in return?**  
The risk indicator assumes you keep the product for its investment period. The actual risk can vary significantly if you cash in at an early stage and your product early on you may have to end at a price that significantly impacts on how much you get back.

**Be aware of currency risk.** You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the currency in which you invested and the currency in which you receive payments. In some circumstances, you may be required to pay for your investments in a different currency than the one in which you invested. Other risks include currency risk, counterparty risk and interest rate risk.

**Other risks and information:** Other risks and information include:

- In some circumstances, you may be required to pay for your investments in a different currency than the one in which you invested.
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## Performance scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The unlikely, moderate, and favorable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 5 years. Markets could develop very differently in the future.

**Recommended holding period: 5X**  
**Example investment: 100k EUR**  
**Insurance premium: 10k EUR**

Scenario	If you exit after 1 year	If you exit after 5 years	If you exit after 5X years (recommended holding period)
<b>Minimum</b>	100k EUR	100k EUR	100k EUR
<b>Stress scenario</b>	100k EUR	100k EUR	100k EUR
<b>Unfavorable scenario</b>	100k EUR	100k EUR	100k EUR
<b>Moderate scenario</b>	100k EUR	100k EUR	100k EUR
<b>Favourable scenario</b>	100k EUR	100k EUR	100k EUR

**What is the risk of your investment falling below the amount invested?** The risk of your investment falling below the amount invested is low. The risk of your investment falling below the amount invested is low.

**What happens if European Insurance Company is unable to pay out?** If the issuer of the PRIIP is unable to pay out, you may be required to pay for your investments in a different currency than the one in which you invested.

**What are the costs?** The costs of this product include the insurance premium and the costs of the investment.

**Other risks and information:** Other risks and information include:

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## Cost over time

Cost	If you exit after 1 year	If you exit after 5X years	If you exit after 5X years (recommended holding period)
<b>Total costs</b>	100k EUR	100k EUR	100k EUR
<b>Annual cost impact*</b>	20%	20%	20%

**What is the maximum amount you can expect to receive?** The maximum amount you can expect to receive is the amount invested plus the interest earned on that amount.

**Composition of costs**

Cost	Description of the cost	Annual cost impact if you exit after 5X years (recommended holding period)
<b>One-off costs upon entry or exit</b>	Description of the costs in no more than 300 characters:	Up to XX EUR (20%) or XX % (20%)
<b>Entry costs</b>	- XXX of the amount you pay in when entering the investment. - These costs are already included in the premium. - This includes distribution costs of 50% of amount invested / XX EUR. This is an estimate of the actual charges.	XX EUR (20%) or XX % (20%)
<b>Exit costs</b>	Description of the costs in no more than 300 characters: - These costs only apply in the following circumstances:	XX EUR (20%) or XX % (20%)
<b>Outgoing costs taken each year</b>	Description of the costs in no more than 300 characters: - These costs only apply in the following circumstances:	XX EUR (20%) or XX % (20%)
<b>Management fees and other costs</b>	Description of the costs in no more than 300 characters: - These costs only apply in the following circumstances:	XX EUR (20%) or XX % (20%)
<b>Transaction costs</b>	Description of the costs in no more than 300 characters: - These costs only apply in the following circumstances:	XX EUR (20%) or XX % (20%)
<b>Incidental costs taken under specific conditions</b>	Description of the costs in no more than 300 characters: - These costs only apply in the following circumstances:	XX EUR (20%) or XX % (20%)

**How long should I hold it and can I take my money out early?** You should hold this product for a minimum of 5 years. You can take your money out early, but there are penalties for doing so.

**Recommended holding period: 5X years**

**Other risks and information:** Other risks and information include:

- In some circumstances, you may be required to pay for your investments in a different currency than the one in which you invested.
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