insurance europe

Annex VC

Venture capital fund structures

Key features to attract insurers' capital

Insurers can play a greater role in financing European innovation provided that investment vehicles are structured to reflect their long-term liabilities, risk management needs and solvency requirements. Existing EU and national initiatives offer valuable lessons on the fund features needed to attract insurers' capital.

Key features of European VC fund structures that can help attract insurer investment:

First-loss guarantees

By absorbing part of the downside risk, first-loss guarantees make VC **more accessible** to insurers and help mobilise capital that would otherwise remain untapped.

Targeted risk-sharing

Public risk-sharing can **unlock insurers' investment in strategic, higher-risk sectors**, such as deep tech and defence.

A range of risk-return profiles

Offering a range of investment profiles, from debt-like to more equity-like, allows insurers to invest according to their risk appetite and long-term liabilities.

Equity protection without guarantees

Where guarantees are not possible, a senior position with a preferred return protects insurers while **preserving the equity nature** of the investment.

Consistent supervision

EU-backed funds should benefit from **consistent supervisory treatment across Member States**, providing insurers with greater certainty.

Limited fee layers

Fund-of-funds structures stack management fees and carried interest at each level. Keeping these layers to a minimum preserves net returns for insurers.

Pre-screened funds

EIB/EIF fund selection and due diligence can reduce the assessment burden on insurers, facilitate investment decisions and strengthen investor confidence.

Recognised credit rating

A rating from a major ECB recognized agency gives insurers an independent and reliable assessment of the investment's risk.

Learning from national initiatives

France: Tibi initiative

Since 2020

Key insight: common pre-screening builds confidence and mobilises insurers without public guarantees.

Tibi, **funds are pre-screened before insurers invest.**

A **technical committee** coordinated by the French Treasury, with Bpifrance and partner investors, screens funds against shared criteria such as team track record and fund size. Only funds that pass are **qualified**, insurers and other institutional investors then make **voluntary commitments** to invest in them.

This model continues to attract growing commitments: Tibi's third phase, launched in **June 2026**, secured a record **EUR 13bn**, including **EUR 5.3bn from insurers**, 30% more than in the previous phase.

EUR 12.5bn
Invested by partner investors, 2020 to March 2025

23 of 37
Partner investors are insurers and mutuals

Germany: Growth Fund and WIN initiative

Since 2020

Key insight: offering different risk-return profiles alongside public investors attracts insurers, but simplicity is key to reaching a wider investor base.

Growth Fund I, a fund of funds anchored by the German government and KfW Capital, attracted several major insurers by offering a choice between a standard fund of funds and a **lower-risk tranche with a preferential return**. Insurers valued this flexibility but **found the structure complex**, and some suggested a simpler, **government-guaranteed debt structure with an investment-grade rating.**

Growth Fund II started fundraising in April 2026, targeting **around EUR 1 billion**, without the preferred share.

The **WIN initiative**, launched in September 2024 and coordinated by KfW, combines **voluntary, non-binding commitments** from institutional investors, including numerous insurers, of **approximately EUR 12bn by 2030** with a **ten-point action plan** to improve VC investment conditions. In September 2026, the target was raised to **EUR 25bn (WIN II).**

EUR 1bn
Raised by Growth Fund I (2023)

EUR 2.64bn
Invested under WIN by end of 2025 since September 2024

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