

Final technical response to EU Taxonomy level 2 consultation

Our reference:	ECO-CRISF-25-072	Date:	25-03-2025
Contact person:	Philippe Angelis	E-mail:	Angelis@insuranceeurope.eu
Pages:	2	Transparency Register ID no.:	33213703459-54

Insurance Europe's final response to EU Taxonomy Level 2 changes as part of the first Omnibus package

Insurance Europe welcomes the European Commission's first Omnibus package, to simplify sustainability reporting and disclosure requirements while keeping core elements and sustainability objectives.

Our experience, as both users and preparers, **highlights that the EU Taxonomy Regulation has yet to add value for our sector, whilst creating significant reporting burden, most notably with the insurance underwriting KPI**

We recommend removing the insurance underwriting KPI, or at the very least suspending its application, providing the necessary time to thoroughly review the usefulness of the KPI. The first two reporting cycles of reporting this KPI have not proven to be useful for assessing insurers' contribution to sustainability. In the short term, removing or suspending the disclosure of the KPI is the only viable option as it does not seem feasible to address its limitations in a comprehensive and meaningful way at reasonable cost.

For the insurance investment KPI, we support the introduction of a reporting materiality filter, set at 10% of the KPI's denominator. Introducing a materiality can significantly simplify (re)insurers' Taxonomy reporting by removing the obligation to report information which is not material for their business. This materiality filter should therefore be applicable at group level. It is important that it will be **possible for insurers to apply the materiality filter without undue restrictions (including the specific reporting templates on performance and exposures to fossil gas and nuclear activities)**. Therefore, the EC should clarify for (re)insurers that, under the materiality threshold, where value of Taxonomy-eligible assets is below 10% of the KPI's denominator, they are not required to assess the Taxonomy-alignment of these assets.

Equally, we welcome the exclusion of entities with fewer than 1000 employees from the denominator of the insurance investment KPI, which will improve the usability and meaningfulness of the reported KPI.

We also welcome the proposed simplifications to the general reporting templates, which should be extended to the specific reporting templates on performance and exposures to fossil gas and nuclear activities (would propose keeping Templates 1 and 2 (or 3), and not 1 and 5 as currently proposed - this would be more meaningful for users). However, it remains unclear how non-material premiums/assets should be reported, as they are not included in the revised Templates in Annex X. It should be also noted that the proposed template still includes non-NFRD companies in the covered assets and this should be deleted, and that an undue reference to the GAR was included in Annex X.

In addition to the materiality filter, the meaningfulness of the insurers' Investment KPI can be improved by allowing inclusion of data from voluntary Taxonomy reporting, in the same table as the Taxonomy reporting from companies obliged to report.



Insurers agree with the EC that companies should be allowed to report on activities which are partially aligned with the criteria for sustainable economic activities – clarifications on how to account for those should be provided and the reporting templates should be adequately amended.

While insurers welcome recognition of the need to simplify the DNSH criteria, this should also be extended to the Minimum Safeguards requirements for the qualification of Taxonomy-aligned activities.

Equally, we stand ready to contribute to the upcoming review of the EU Taxonomy's Technical Screening Criteria.

Lastly, the EC's Q&A on Taxonomy reporting will need updating following changes to the Taxonomy and in doing so should ensure that they do not create additional requirements or complexity. Whether the EC intends to continue issuing new EC notice about the EU Taxonomy, it is very important to give preparers adequate time for dealing with it.

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.