



# Delivering on the Savings and Investments Union: Recommendations from the insurance sector



The Savings and Investments Union (SIU) is an opportunity to boost household wealth and drive economic growth in Europe. This is particularly important given the unprecedented investment needs Europe faces to tackle the twin challenges of the green and digital transitions, while also financing the innovation and infrastructure required to remain globally competitive. Europe also faces a growing pension gap, driven by demographic change, longer life expectancy, and increasing pressure on public pension systems. In this context, making tangible progress on the SIU is not only an economic imperative but a social one.

Insurers are already a cornerstone of addressing these challenges: they play a central role in channelling household savings into long-term investments, helping to boost Europe's competitiveness, European capital markets, and underpin the digital and green transitions. Furthermore, life insurers, as providers of both occupational and personal pensions, play a key role in addressing the pension savings gap. As such, they help diversify retirement income sources, thereby enhancing financial security for individuals and alleviating pressure on public resources.

To fully unlock the sector's capacity to mobilise savings and channel them into productive investments, the SIU must leverage and strengthen the industry's important role. It offers an opportunity to streamline regulatory frameworks and address existing barriers. Greater recognition of insurance's vital role in retirement security and household wealth will also help deliver on the SIU objectives. With the right policy framework, insurers' contribution can go much further - helping to mobilise private capital at scale, bridge Europe's investment needs, and secure a stable financial future for individuals.

The recommendations below highlight practical ways to unlock insurers' potential. They set out steps to unlock the full potential of insurance by ensuring the SIU: 1) better connects European households with retail investment opportunities through ensuring product diversity, 2) facilitates long-term investments by insurance companies, 3) ensures regulation supports – rather than hinders – competitiveness.



## AT A GLANCE: How are insurers already contributing to the SIU goals

### **Boosting retail participation in capital markets**

By offering savings and retirement products, including with protection elements such as guarantees and risk covers, insurers meet the diverse needs and evolving preferences of consumers. Through a widespread, diverse and professional distribution network, they can reach retail investors not only in big cities but also in small towns and villages. Insurers are in a unique position to offer the peace of mind that people need to invest as part of the distinctive benefits of insurance products.

Insurance-based investment products represent the largest portion of retail investment in Europe (70% according to EIOPA) and insurers are key providers of occupational and personal pension products. For this reason, insurers are in a unique position to contribute to closing the pension gap and enable citizens to actively prepare for retirement.

### **Investing long-term in the European economy**

The insurance industry is one of Europe's largest institutional investors, investing close to €9.5trn in the economy and 70% of their investments in equity, corporate and sovereign bonds are within the EU. The sector is an important provider of stable, long-term funding and it is uniquely offer large-scale, long-term capital with a strong European focus for infrastructure, green transition, and innovation projects aligned with EU goals.

Insurers' business model allows them to have a long-term investment time horizon, focusing on the long-term performance of assets. This allows insurers to have a counter-cyclical and stabilising effect on financial markets and the economy.

### **Supporting European innovators at the most critical moments**

Insurers provide protection to citizens and businesses against potential risks and offer mechanisms to manage, mitigate and cope with the risks they face. Insurance enables risk-taking by covering entrepreneurs and innovators, yet its role in driving innovation is often overlooked.

### **Global success story, supporting Europe's competitiveness and financial autonomy**

European insurers are globally successful and many internationally active insurers are from the EU. Among the 60 Internationally Active Insurance Groups subject to the IAIS's ComFrame regulatory regime, 18 are based in EU countries and a further 10 in Switzerland and the UK. This represents a stark contrast to Europe's standing in other key sectors. With its significant business presence internationally, the insurance sector contributes to Europe's competitiveness, global leadership, and financial autonomy.

## Key recommendations to enable insurers to increase their contribution to the SIU

The development of the SIU should be a collaborative effort involving public and private stakeholders to ensure its success, as well as coordinated and sustained actions at EU and member state levels. It should be grounded in market experience to reinforce existing strengths and address current barriers.

Increasing retail savings through insurance products, alongside targeted regulatory improvements, will significantly advance SIU objectives to mobilise capital and strengthen Europe's economy. With the right policy framework increased long-term investment and social protection can be achieved together thus helping bridge the pension gap in Europe.



The following actions are key to help boost retail savings and investment:

### Make it easier for consumers to invest in insurance and pension products and promote product diversity

- Ensure that **initiatives aiming at boosting retail participation**, such as an EU blueprint for savings and investment accounts and/or label for savings and investment products **explicitly include insurers as providers to reach a wider audience and ensure a wider uptake and allow access to a wide range of investment products, including life investment and pension products**. Such solutions should take an inclusive approach building on products at a national level. This will broaden consumers' options depending on their needs and create a leverage effect through competition between different players and innovation. Ensuring that higher-risk investment products is offered alongside safer and more protective options is essential to encouraging retail investors to gradually take on more risk. Initiatives should take into account the diversity of EU markets and consumers and benefit from an attractive tax regime at national level.
- Ensure that the Retail Investment Strategy (**RIS**) contributes to the supports SIU goals by enabling **easy access to investment products** for retail investors.
- **Simplify the PEPP framework** to focus on key objectives and prioritise long-term retirement outcomes over short-term investment performance, ensuring any changes reflect consumer needs and preferences, industry insight, and national market realities. PEPP should remain a third-pillar personal pension, with any use in occupational schemes left optional for member states and dependent on the product becoming more viable.
- **Promote financial and insurance education, awareness-raising, and best practices**, eg through the EU Financial literacy strategy.
- Promote **pension dashboards and tracking systems**. These tools can help nudge citizens toward better long-term financial planning, but should be flexible and adaptable to national realities.
- Share best practices in relation to Member States' experience with implementing **automatic enrolment schemes** for employees where appropriate and on a voluntary basis.



The actions below would help insurers increase their investment in assets which are key for growth and innovation, e.g. infrastructure, listed equities, venture capital, SME equity and debt:

## Improve prudential and accounting rules which act as barriers

- Finalise the Level 2 technical details of the **Solvency II review**, taking into account the impact on the fulfilment of the SIU objectives.
- For **securitisations**, introduce more appropriate risk-based capital requirements in Solvency II and reduce due diligence requirements.
- Allow the **recycling of gains or losses for equity instruments** measured at Fair Value through Other Comprehensive Income (FVOCI) under **IFRS**, to promote long-term equity investments in Europe.

## Facilitate cross-border investment by reducing the fragmentation in insolvency laws and setting up a process for resolving cross-border disputes

- Avoid sudden or retroactive changes to local investment laws. Where changes are necessary, safeguards should be introduced. EU guidelines should better ensure protection and legal clarity.
- Establish a dispute resolution mechanism between investors and Member States, such as an EU investment court, to enhance legal certainty and peace.
- Reduce fragmentation in insolvency laws is vital. Harmonising creditor rights and clarifying the powers of insolvency administrators would improve confidence in fair liquidation and reorganisation processes.

## Increase insurers' access to infrastructure, venture capital SME equity and debt

- Increase use of **public-private partnerships** and have a stronger focus of supranational development banks to crowd-in institutional investors for infrastructure investments. **Partial guarantees** can reduce barriers to greater investment and should be recognised under Solvency II (in line with bank regime).
- To increase scale and access to venture capital, SME debt and equity, **assess national funds** and **how their use can be expanded** to other EU markets or potentially multi-national/EU versions (eg TIBI initiative in France, WIN initiative in Germany).



Beyond this, the regulatory environment needs to empower businesses to grow, innovate, and compete globally, while supporting the EU's goals of sustainable, inclusive, and digital growth.

## Ensure regulation enables – not hinders – competition

- Apply the **objective of streamlining and simplifying regulation** to both the EC's **current reporting reduction targets** and embed this objective into **ongoing regulatory initiatives**, such as the Retail Investment Strategy (RIS) and the Financial Data Access (FIDA) framework.
- Design regulation with the **specific characteristics of the insurance industry in mind** to support a competitive and resilient sector and ensure that it does not place the sector at a competitive di
- **Continue supervisory convergence efforts**. Continued national oversight and efforts by National Supervisory Authorities and EIOPA to use existing tools to continue convergence efforts, while respecting flexibilities allowed in regulatory texts, are welcome.



 [www.insuranceeurope.eu](http://www.insuranceeurope.eu)

 Insurance Europe

 Rue du Champ de Mars 23  
B-1050 Brussels  
Belgium

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.