

Retail Investment Strategy (RIS)
Making Value for Money (VfM), inducements & consumer journey rules work for consumers, insurers and Europe

 **The opportunity**

The RIS is a cornerstone of the EU Savings and Investment Union (SIU), aiming to channel more household savings into productive investments and support long-term economic growth. However, to deliver **real benefits without damaging competitiveness**, the RIS approach to **VfM, inducements and consumer journey** must be **proportionate and practical**.

 **Supporting EU objectives**

EU Priority	RIS impact (if well-designed)
Competitiveness	Preserve product diversity, quality and innovation
Simplification	Avoid duplications and unnecessary bureaucracy
Consumers empowerment	Ensure a simple and engaging purchasing process

 **Key recommendations for the RIS trilogue**

VfM	<ul style="list-style-type: none"> ■ Keep VfM benchmarks for supervisors only <ul style="list-style-type: none"> ■ Authorities would use benchmarks to identify outliers in the market that might require further investigations, with no need to add burdens to the entire market. ■ Supervisors would use national benchmarks, as best fit to monitor products distributed only in one market, or EU benchmarks for better oversight of cross-border business. ■ Avoid peer grouping by insurers <ul style="list-style-type: none"> ■ Peer grouping by market participants adds cost and confusion, duplicating the benchmarks. ■ Avoid new reporting requirements <ul style="list-style-type: none"> ■ Sufficient data are already available, see Insurance Europe’s overview here ■ Respects the EU “reporting reduction” commitment. ■ Delete new Level 2 empowerments on VfM <ul style="list-style-type: none"> ■ A clear Level 1 allows a more efficient implementation than rigid technical rules. ■ Do not publish VfM benchmarks <ul style="list-style-type: none"> ■ Public benchmarks risk price convergence and reduce quality and innovation. ■ Avoid duplicative assessments by intermediaries <ul style="list-style-type: none"> ■ Only assess added distribution costs, where applicable, with no need to duplicate manufacturers' work.
Inducements	<ul style="list-style-type: none"> ■ Remove the new inducements test <ul style="list-style-type: none"> ■ Conflict of interest rules and the new best interest test already provide high safeguards. ■ A new test would be redundant and burdensome. ■ Delete new Level 2 empowerments on inducements <ul style="list-style-type: none"> ■ Additional prescriptiveness and restrictions hinder access to advice and investment.
Consumer journey	<ul style="list-style-type: none"> ■ Do not add new questions to the suitability assessment <ul style="list-style-type: none"> ■ This would lengthen the advice process and be incompatible with insurance

	<p>distributors' qualifications.</p> <ul style="list-style-type: none"> ■ Do not add new questions to the appropriateness assessment <ul style="list-style-type: none"> ■ This would make it harder for consumers to invest, especially those looking for a short investment journey. ■ Ensure that the best interest test is workable for all insurance channels and products: <ul style="list-style-type: none"> ■ Criterion a) should not require an "appropriate range" of products, as it cannot be met by all insurance distributors, would raise compliance costs and reduce competition. ■ Criterion b) must duly consider the qualitative features of insurance products (eg financial guarantees, biometric risk coverage), as these are key elements driving consumers' choice to invest. ■ Criterion c) must be deleted, as recommending the cheaper product ignores that, in insurance, "cheaper" could entail less coverage, less protection and fewer benefits for consumers. Similarly, the proposal in the suitability test "to not consider a product suitable where it contains additional features that are not necessary for the consumer's objectives" should also be deleted. ■ Delete the Level 2 empowerments on the best interest test <ul style="list-style-type: none"> ■ Additional prescriptiveness and restrictions hinder access to advice and investment.
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📣 Final message

Smart, focused rules on VfM, inducements and consumer journey will **protect consumers and preserve the competitiveness and diversity** of EU retail investment market.

To achieve the RIS goals, Insurance Europe also urges policymakers to **not lose sight of the need for streamlined disclosures and a more proportionate use of Level 2 measures**.

More details on Insurance Europe's recommendations are available [here](#).

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.