

Insurance Europe stresses benefits to consumers of consistent regulation

Calls for fair competition among EU pension providers at EC public hearing

Brussels, 1 March 2012: Insurance Europe, the European insurance and reinsurance federation, has voiced its support for the European Commission's aim to promote a more European approach to tackling the challenges faced by pension systems in EU member states. Such an approach is particularly required in the area of complementary pension schemes.

"The single market is more than just removing obstacles to cross-border business. It is equally about removing any unjustified difference in regulatory regimes," said Michaela Koller, director general of Insurance Europe. Koller was speaking today at an EC public hearing on the review of the EU Institutions for Occupational Retirement Provision (IORP) Directive.

There can be direct competition between IORPs and insurers providing occupational pensions in EU member states. To achieve fair competition and consistency in prudential regimes, Insurance Europe strongly supports the application of the "same risks, same rules, same capital" principle for all EU financial institutions providing occupation pension products, provided the economically significant characteristics of pension funds are taken into account.

"The outcome of the debate on the review of the IORP Directive should be that consumers have a similar level of protection for a similar level of promises, irrespective of whether they are members/beneficiaries of an IORP or of an occupational pension scheme provided by a life insurer. Such an achievement would undoubtedly improve consumer confidence at a time when it is crucial to encourage citizens to save more for their old age," said Koller.

As EU regulation currently stands, when insurers move to the forthcoming sophisticated Solvency II regulatory regime, IORPs will continue to be regulated under the cruder old system, Solvency I.

Insurance Europe supports a package of measures related to long-term guarantee products that is currently being developed under Solvency II. This package would then allow the Solvency II principles to be applied to both IORPs and insurance companies without any significant adverse or unintended consequences.

"We believe that once appropriate solutions are found under Solvency II for the treatment of long-term guarantee products they can serve as the framework for ensuring comparable and high levels of consumer protection for all pension schemes," said Koller.

See also

Press release, 17 February 2012: [CEA welcomes EC aim to apply Solvency II principles to all pension providers](#)

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INSURANCE EUROPE IS THE NEW NAME FOR THE CEA. THE FEDERATION CHANGED ITS NAME TODAY.

Background

In April 2011 the European Commission sent a call for advice to the European Insurance and Occupational Pensions Authority (EIOPA) on a review of the EU's Institutions for Occupational Retirement Provision (IORP) Directive. After two consultations, EIOPA delivered its advice to the EC on 15 February, a day before the Commission published its White Paper, "An Agenda for Adequate, Safe and Sustainable Pensions".



The EC held a public hearing on the revision of the Directive in Brussels today. Insurance Europe's director general, Michaela Koller, took part in the panel debate at the hearing entitled "How to make the single market for IORPs work better".

The EC is expected to publish its proposal for a revised IORP Directive in autumn 2012.

Notes for editors

1. For further information please contact Janina Clark, head of communications & PR (tel: +32 2 894 30 70, clark@insuranceeurope.eu).
2. Copies of all Insurance Europe press releases are available on the Insurance Europe website (www.insuranceeurope.eu).
3. Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of over €1 100bn, employ nearly one million people and invest almost €7 500bn in the economy.