

Response to EIOPA consultation paper on pension tracking systems

Our reference:	PERS-SAV-21-046	Date:	8 September 2021
Referring to:	EIOPA consultation paper		
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Pages:	15	Transparency Register ID no.:	33213703459-54

Scope of a national pension tracking systems (PTS)

Q1. Do you agree with the main goal, the scope and the attributes of a national PTS defined by EIOPA (please explain why)? If not, what is missing or what workable alternative would you propose which meets the principles set out in this consultation?

- Yes
 No

Please add an explanation

In general, Insurance Europe welcomes the recognition of the role and importance of private pension savings in completing the Capital Markets Union, as well as the launch of a public debate on ways to stimulate further pension savings in Europe. The results of a 2019 Insurance Europe survey interviewing 10 000 citizens across 10 member states indicated that 43% of respondents are not saving for their retirement. Further member state action is therefore needed to promote well-balanced multi-pillar pension systems across member states built on adequate, stable and attractive regulatory and tax frameworks.

In several countries, insurers have been and still are instrumental in the establishment and management of pension tracking services (PTSs). In Denmark for instance, the national pension tracking service is entirely managed by the Danish association of insurers (IPD). Having a PTS in place is consistent with the insurance industry's longstanding call for enhanced transparency of pension entitlements. Well-designed pension tracking services have indeed proved to be very effective in supporting people's retirement planning process and their understanding of how pension systems work. Having a clear view on accrued and/or expected pension entitlements is often a prerequisite for people to understand the need to save for retirement. Considering the general shift away from pure DB schemes, and the shift of risk that goes with it, the role of pension tracking services is likely to grow even further in the future.

Against this background, the insurance industry welcomes and supports EIOPA's key messages and recommendations on the development of PTS. However, there are still some questions and concerns, which are detailed in our responses below, that should be addressed before EIOPA submits its final advice to the European Commission.

Q2. What do you consider to be the main costs in the establishment of a PTS?

Based on national experiences, IT development and testing constitute the main costs in the establishment of a PTS.

When it comes to the technical implementation of a PTS, the key cost driver is the connection of different providers to the PTS, depending on the chosen model for data storage/disclosure.

In relation to EIOPA's proposed key messages, the insurance industry believes that standardisation of data for a PTS would turn out to be extremely costly in practice. In particular, attempting to harmonise different sources of information for different products in order to come up with a single aggregate figure would be costly and turn out to be artificial, thereby misleading consumers.

From an industry point of view, the cost of information reporting is critical. Any change in reporting requirements to standardise PTS data would have a massive impact on PTS establishment costs and would ultimately be borne by customers.

The insurance industry therefore advocates that cost efficiency be a key priority of a PTS. Against this background, the following elements should be carefully considered when establishing, updating and running a PTS:

- The scope of PTSs should be limited to pension products only, based on national definitions.
- PTSs should focus on a minimum set of information useful to users and on achieving only a PTS's primary goal, ie, to provide an overview of pension entitlements.
- PTSs should rely on information, data, protocols and methodologies for projections already available at national level to streamline processes and minimise the cost of compliance.
- Insurance Europe supports EIOPA not prescribing a single model but leaving it up to member states to choose between live access and central data storage. As indicated by EIOPA, a live access PTS would be much more expensive.
- Recommending too frequent updates would significantly increase the costs of a PTS. An annual approach seems reasonable.

Q3. *EIOPA views a PTS as a public good, considering the need for public intervention to address market failures stemming from limited rationality. Do you agree with the public good framework as preferred option to provide objective and impartial pension information to citizens (please explain why)? If not, what is missing or what workable alternative would you propose which meets the principles set out in this consultation?*

- Yes
 No

Please add an explanation

In general, the insurance industry agrees that a PTS should provide objective, impartial and reliable information to citizens. It should never serve a political agenda in relation to private pension supervision.

Against this background, the insurance industry believes that establishing a public good framework at EU level would not be appropriate. Such discussions should take place at national level in an impartial way.

Q4. *Do you agree that the PTS should provide personal information on statutory and supplementary pensions and should exclude the provision of information on other financial products that do not constitute a pension (please explain why)? If not, what would be the desirability, feasibility and benefits for bringing non-pensions long-term investment products into scope of the PTS?*

- Yes
 No

Please add an explanation

Insurance Europe recommends that the scope of PTSs' should be limited only to pension products, with all pillars included. It also strongly recommends that EIOPA takes into account the national definitions of what qualifies as a pension product. In some countries (depending on mandatory coverage), the inclusion of death and disability benefits might be necessary to reflect the reality of pension-saving entitlements.

Adding other types of long-term saving vehicles would add complexity, increase costs and challenge users' understanding.

Q5. *Do you agree that MSs should assess to what extent a (digital) PTS may exclude some citizens and, depending on the outcome, consider offering alternative ways to facilitate PTS access to the digitally excluded citizens (please explain why)? What workable solutions would you propose to either make the PTS also available to non-digital or digitally excluded citizens or to make the PTS information available in a non-digital format?*

- Yes
 No

Please add an explanation

To be effective, a PTS should be accessible to everyone.

Digitalisation has proved a useful way to ease regular access to pension information. In the 2019 Pan-European Pension Survey conducted by Insurance Europe interviewing 10 000 European citizens across 10 countries, 67% of survey respondents preferred to receive information on pensions digitally rather than on paper. While this preference varied between countries and according to respondents' characteristics (age, gender, education), digital information always remained the favoured option across all samples.

As an alternative, PTS information could be provided on paper on demand and/or for certain categories of users. Before recommending alternatives, it is important to measure the real extent of the problem, to test data flows coming to and from the PTS based on users' preferences and to perform a cost/benefit analysis. The additional cost of providing information on paper should not be borne by data providers.

Front-end design of a national PTS

Q6. *EIOPA has identified a set of behavioural principles which should drive the front-end design of the PTS. Do you agree with this approach (please explain why)? If not, what other behavioural principles should apply to the front-end design of the PTS?*

- Yes
 No

Please add an explanation

Insurance Europe agrees that behavioural principles should be considered but only in relation to a PTS's primary objective, ie, to provide an overview of information to citizens and savers about accrued entitlements and projected retirement income provided by all possible pension sources in a simple and understandable manner.

Inertia and procrastination most affect the willingness of people to prepare for retirement and possibly to use a PTS. People have the tendency to favour short-term needs over long-term ones. Having to think about the financial future is often perceived as burdensome and unpleasant. Against this background, users must be incentivised to access their PTS on a regular basis via reminders, an attractive design and easy digital access and identification. The information provided should be as streamlined and simple as possible.

The insurance industry also experiences the adverse effects of information overload in the context of information disclosures, which often results in people not properly understanding the information received and ultimately not taking the right decision or not saving at all. It is therefore essential that a PTS focuses on a minimum set of useful information. Digitalisation, layering and signposting can be useful tools for streamlining the quantity of information provided in a PTS.

In general, fear of loss and risk aversion are also very detrimental in the field of pensions. People suffer more from losses than they enjoy gains. The fear of possibly losing money and market volatility fluctuations might stop people saving for their retirement. This is confirmed by the Insurance Europe Pension Survey, where respondents overwhelmingly chose the security of pensions (60%) over any other type of pension priority. The presentation of projected retirement income by PTSs and the scenarios used should ensure people are informed about and aware of the extent to which their savings are protected (see response and recommendations in Q11).

Having said that, it is important that a PTS remains objective and impartial and does not use behavioural principles to nudge users into taking actions without proper consumer testing. As per the answer to Q13, it is not a PTS's primary goal. A PTS could possibly provide general information on options available, but it should not provide financial advice and this should be considered in the later stages of a progressive roll-out strategy. A cost/benefit analysis might be necessary to fully answer this question.

Q7. Do you agree that the PTS has a broader scope than the Pension benefit statement (PBS)? Whilst the PBSs can be used to feed the back-end, the front-end of the PTS should not be constrained by (all) the content or format of the PBSs.

- Yes
 No

Please add an explanation

Information presented in a PTS covers different types of pension plans/products/schemes. Its scope is therefore broader than the PBS.

The information and data contained in the PBS should feed into the PTS for occupational supplementary pensions. Information provided by the PTS should always be consistent with national information disclosures, not only to avoid confusing savers but also to reflect the diversity of existing pension definitions and information requirements:

- Pensions are to a large extent regulated at national level, including in terms of information requirements.
- The IORP II Directive introduced a pension benefit statement. However, being a minimum harmonisation framework, the pension benefit statement requirements have been transposed into national law and supplemented in different ways across Europe.

Q8. Do you agree that the information on costs and investment funds should not be part of the front-end of the PTS and that it is a good practice for the PTS to provide a link to the website of each pension provider?

- Yes
 No

Please add an explanation

Insurance Europe agrees that information not directly related to a PTS's primary goal should be presented in secondary layers of information and/or signposted.

Information overload often results in people not properly understanding the information received and ultimately not taking the right decision or not saving at all. It is therefore essential that a PTS focuses on a minimum set of useful information.

Digitalisation, layering and signposting can be useful tools to streamline the quantity of information provided.

Q9. Do you agree that the landing page (layer 1) of the PTS should display the expected monthly retirement income and the retirement date in a simple manner whilst the accrued entitlements and pension providers (i.e. breakdown by source) should be disclosed in a second layer easily accessible to users wanting to know more? If so, do you have supportive evidence? If not, what would you propose as the key elements for the landing page (Layer 1) and those for subsequent layers (Layers 2 and 3) considering the scope of the PTS and individuals' behavioural and cognitive biases set in this consultation?

- Yes
 No

Please add an explanation

The insurance industry agrees that a PTS landing page should focus on a minimum set of core information serving its primary purpose.

However, the way pension projections are disclosed depends on the product/plan/scheme characteristics and should be decided at national level. Specifically, whether it should be disclosed as monthly or annual projections, or as lump sums (in gross or net terms) should reflect national practices and legislation regulating projections and pay-out.

In some countries, the pay-out is strictly regulated for certain products/schemes/plans. While annuitised projections could be useful from a long-term educational point of view, in countries where only lump-sum payouts are possible or where they are strongly incentivised, it would not make sense and vice-versa. Also, information presented in PTSs should always be consistent with existing disclosure requirements to prevent the duplication and overlap of information and to avoid confusing users.

The way pension projections are disclosed has a massive impact on people's perception and behaviour. In Insurance Europe's Pan-European Pension Survey, respondents were asked how they would prefer receiving their savings. When asked without monetary projections, a majority indicated preference for annuity pay-outs. When monetary figures were disclosed, a significant share of respondents changed their minds — switching to a lump sum — showing a clear bias toward larger figures (even though the way respondents reacted to monetary figures varied between countries). Disclosing projected retirement income therefore requires thorough consumer testing to ensure it does not unduly nudge users into a certain behaviour.

The same caution and national approach should be considered when deciding whether or not PTS information should be presented in real or gross terms. Disclosures in real terms, despite pursuing laudable objectives, are extremely complicated to achieve in practice, and could prove highly confusing for savers. Acknowledging these

well-known difficulties, Insurance Europe is aware of only a few European countries using inflation-adjusted projections as the primary source of information in a pension disclosure.

Again, Insurance Europe strongly believes that PTS information should be consistent with existing disclosure requirements to prevent the duplication and overlap of information and to avoid confusing users.

Last but not least, projecting retirement income should take into account contract terms when the term of the contract is different to the legal retirement age.

Q10. *Do you agree that difficult concepts, such as inflation, purchasing power, communication of projections, etc. should be accompanied by with visual aids, such as short movies, use of metaphors, pictures or additional explanations (pop-up windows)? Do you have supportive evidence and any examples of such "aids"? If not, what is missing or what workable alternative would you propose considering the scope of the PTS and individuals' behavioural and cognitive biases set in this consultation?*

- Yes
 No

Please add an explanation

Insurance Europe believes that PTSs should focus on a minimum set of information useful to savers to achieve their primary goal. It is unclear whether it is the role of PTSs to inform and educate on such concepts. PTSs should first and foremost provide an overview of pension entitlements accrued and expected retirement income.

Since financial education is the exclusive remit of member states, Insurance Europe does not believe that EIOPA should put forward such recommendations. Member states might decide to use PTSs as a channel to improve the financial literacy of EU citizens, but it should be considered at a later stage of the progressive roll-out strategy.

Whether visual aids would be helpful to users should be assessed by performing consumer testing. They might also be costly to implement and update. A cost/benefit analysis might also be necessary to answer this question.

Q11. *Do you agree that information on the assumptions used to calculate projections or projections with scenarios should be placed in second or third layer? If so, do you have supportive evidence and any examples? If not, what is missing or what workable alternative would you propose considering the scope of the PTS and individuals' behavioural and cognitive biases set in this consultation?*

- Yes
 No

Please add an explanation

We agree that information not linked to the primary goal of a PTS should be placed in secondary layers.

Information overload often results in people not properly understanding the information they receive and ultimately not taking the right decision or not saving at all. It is therefore essential that a PTS focuses on a minimum set of useful information, ie, an overview of accrued and expected retirement income. Digitalisation, layering and signposting can be useful tools to streamline the quantity of information provided.

Assumptions and scenarios used to project retirement income vary across Europe. This decision should always be left to the national level. In some countries, supervisory guidance could be welcome.

In Insurance Europe's experience, the use of three scenarios — a best estimate, one favourable and one unfavourable — has proved interesting to add nuance and balance retirement income projections. In addition, Insurance Europe supports adding a specific warning to help savers to understand the benefits of products offering a nominal guarantee to address fear of loss and risk aversion behavioural bias (see also Q6) as the added value of such a guarantee could not always be captured by performance scenarios. The solution initially investigated by EIOPA in the context of the PRIIPs Level II review, the "minimum guaranteed scenario" showing maximum possible losses, could be a valid option to consider for PTSs.

Q12. *Do you agree that additional information that is not linked to the goal of the PTS, such as ESG factors, should be accessed via signposting to the pension provider or placed in the third layer of the PTS? If so, do you have supportive evidence and any examples? If not, what is missing or what workable alternative would you propose considering the scope of the PTS and individuals' behavioural and cognitive biases set in this consultation?*

- Yes
 No

Please add an explanation

Insurance Europe agrees that information not linked to the primary goal of a PTS should be placed in secondary layers or signposted. Such a solution would be consistent with the sustainable disclosure rules applicable to pension products.

Information overload often results in people not properly understanding the information received and ultimately not taking the right decision or not saving at all. It is therefore essential that a PTS focuses on a minimum set of useful information, ie, an overview of accrued and expected retirement income. Digitalisation, layering and signposting can be useful tools to streamline the quantity of information provided.

Q13. *Do you agree that the PTS should ultimately help the user understand if he is saving enough for his retirement such that its role is clearly not to provide financial advice, but to show the user in a neutral manner the types of actions he can take, especially if it is integrated in a wider strategy (e.g. support auto-enrolment reforms, improve financial capability)? If so, do you have supportive evidence and any examples? If not, what is missing or what workable alternative would you propose considering the scope of the PTS and individuals' behavioural and cognitive biases set in this consultation?*

- Yes
 No

Please add an explanation

Yes, Insurance Europe agrees that a PTS should help users understand where they stand in terms of retirement planning. A PTS should provide information in a neutral manner and should not provide financial advice.

Financial advice is not regulated at EU level. Since the IDD is a minimum harmonisation framework, the way provisions applicable to financial advice have been transposed into national law varies across Europe. In some countries where financial advice is strictly regulated, it would be almost impossible for a PTS to provide it (eg, NL). Also, the availability of robot advice is currently still limited and Insurance Europe believes it is not yet suited to the complexity of pensions, which often require the consideration of a huge variety of personal circumstances

The consideration of behavioural and cognitive bias is indeed vital to ensure a PTS achieves its primary objective, ie, to nudge people into using the service on a regular basis to have an up-to-date overview of their pension entitlements. However, Insurance Europe urges EIOPA to be cautious when recommending a PTS to nudge users into taking further actions as, depending on national definitions and laws, this could translate into providing financial advice. Also, if a user were to make a wrong decision due to the PTS, it could seriously harm its credibility and be a source of litigation. A PTS could indeed offer information on options available but it should be done in a comprehensive and neutral way and be thoroughly tested to ensure it does not create adverse or unexpected consequences. This could be a long and costly process. A cost/benefit analysis might be necessary to address this question.

Last but not least, the insurance industry strongly opposes EIOPA's recommendation to include pension tracking services in a wider range of policy measures (see also Q33). While it agrees that a PTS will not be able tackle the pension savings gap on its own, EIOPA is going beyond the scope of the EC request and of its remit when recommending that countries introduce other types of policy measures (eg, auto-enrolment) at national level.

Q14. *Do you agree that the PTS, by designing a smooth user-journey, can help reduce the time and effort to take actions towards more sensible financial decisions, if facilitated through the use of nudges, interactive tools and signposting to where users can find more help or information? If so, do you have supportive evidence and any examples? If not, what is missing or what workable alternative would you propose considering the scope of the PTS and individuals' behavioural and cognitive biases set in this consultation?*

- Yes
 No

Please add an explanation

See Q13.

Insurance Europe believes nudging savers into taking actions entails legal and reputational risks and that it is not the primary objective of a PTS.

Thorough consumer testing would be needed to answer this question.

Back-end design of a national PTS

Q15. *The main advantage of a live access model is the increased data protection. Do you agree that if one can start the PTS from a 'blank page', if it is technologically feasible and if the only aim of the PTS is to show the data to the user, then a live access model is the optimal solution?*

- Yes
 No

Please add an explanation

Insurance Europe supports EIOPA not prescribing a single model, thus leaving it up to member states to choose between live access and central data storage.

Some countries (eg, NL) report a satisfactory experience with a live PTS model. However, as indicated by EIOPA, a live-access PTS would be much more expensive.

In general, Insurance Europe believes that cost efficiency should be a key priority of a PTS. Against this background, the following elements should be carefully considered when establishing, updating and running a PTS:

- The scope of PTSs should be limited to pension products only, based on national definitions.
- PTSs should focus on a minimum set of information useful to users and on achieving only their primary goal, ie, to provide an overview of pension entitlements.
- PTSs should rely on information, data, protocols and methodology for projections already available at national level to streamline processes and minimise the cost of compliance.
- Again, Insurance Europe supports EIOPA not prescribing a single model; leaving it up to member states to choose between live access and central data storage. As indicated by EIOPA, a live-access PTS would be much more expensive.
- Recommending too frequent updates would significantly increase the costs of a PTS. An annual approach seems reasonable.

Q16. *Do you agree that a pilot project should be conducted to test its technological feasibility? In which circumstances would it not be necessary to conduct a pilot?*

- Yes
 No

Please add an explanation

A pilot project to test technological feasibility is necessary. A cost/benefit analysis would also be welcome to inform member states' decisions.

Q17. *Which additional principles should apply to ensure a secure digital access to the PTS?*

n/a

Q18. *Do you agree that a PTS in its bare minimum could consist only of the following fields: user ID, provider ID, accumulated savings/accrued entitlements, projected retirement income, retirement age and provider email or telephone number? If not, which elements are missing and should be added to operate the PTS? What would be the impact on providers of pension data to the PTS?*

- Yes
 No

Please add an explanation

First and foremost Insurance Europe believes that the bare minimum back-end information should not be harmonised at EU level, but should be decided at national level. EIOPA's recommendation could serve as guidance but should not be binding to ensure it reflects the architecture and characteristics of different pension systems across Europe.

In addition, the information listed in the question seems appropriate for private pensions only, not for public pensions.

Q19. *Can the PBS be used as a basis to define the data needs for the PTS related to occupational pensions? Which elements would need to be added, which are redundant? What would be the impact on providers of pension data to the PTS?*

Yes, the PBS can be used, but only in relation to supplementary occupational pensions.

The PBS should not be amended or supplemented. Information provided by a PTS should always be consistent with national information disclosures, not only to avoid confusing savers but also to reflect the diversity of existing pension definitions and information requirements:

- Pensions are to a large extent regulated at national level, including in terms of information requirements.
- The IORP II Directive introduced a pension benefit statement. However, since it is a minimum harmonisation framework, the pension benefit statement requirements have been transposed into national law and supplemented in different ways across Europe.

Any change to existing PBS disclosures would increase costs and the legal risks of non compliance and confuse savers.

Q20. *Do you agree that setting the data standards (data standardisation, transmission) should be done by an independent body after consulting the various stakeholders?*

- Yes
 No

Please add an explanation

The insurance industry does not believe that pension data should be standardised. Instead, a PTS should rely on existing data.

Standardisation of pension data at national and/or EU level is not realistic given the significant differences between countries in terms of pension systems, products available, contract terms, information provided and the availability of data. Therefore, in practice, EIOPA's recommendation would be extremely burdensome, costly to implement and would only confuse and mislead PTS users. More concerningly, it seems to ignore the fact that pensions are to a large extent a purely national issue.

Q21. *EIOPA recommends that data standardisation should be structured, include clear definitions, make use of a uniform reference date, align with agreed technical standards and determine the necessity. Do you agree with this approach? If not, what other principles should apply to data standardisation? What would be the impact on providers of pension data to the PTS?*

- Yes
 No

Please add an explanation

See our response to Q20.

Q22. *Primarily EIOPA stresses that the methodology for projections included in the PTS should not differentiate across pension sources. It also referred to solutions in case there could be a differentiation in projection methodologies or assumptions used. However, EIOPA also suggests a legal analysis to assess if there is scope for coherent projections of statutory and supplementary pensions. What are your views about coherent projections between statutory and supplementary pensions and uniform projections for supplementary pensions? Which barriers should be removed to achieve coherent projections for all pension products? What would be the impact on providers of pension data to the PTS?*

The insurance industry urges EIOPA to be cautious about recommending using uniform assumptions for projecting statutory and supplementary future retirement incomes.

Different pillars are exposed to different risks. The mix between pillars is unique to each country. A single method/model would be complex and is unlikely to grasp and adequately reflect these differences. It would result in not comparing like with like and misleading people about their future entitlements, as well as triggering legal risk and constituting a potential source of litigation for those who are projecting future retirement income.

In addition, having a PTS covering different pension income sources stemming from different pillars/products/schemes/plans should not necessarily result in the aggregation of all pension entitlements into a single monetary figure. The aggregation of different pension entitlements is not possible (not even within one pillar) and would result in showing artificial figures to PTS users due to the different product features and contract terms, eg, different durations, pay-out forms and intervals, reference dates, etc. To be informative, the projection and aggregation of expected pension entitlements should always consider and reflect the different dates when pension payments are effectively due, ie, the legal retirement date and/or contract terms.

Different assumptions, methodologies and reference dates are used in different countries to project retirement income. Depending on the market, guidance could be welcomed by national authorities.

Q23. *Are the following assumptions commonly used for calculating projections complete: interest (discount) rate, the return on investments, contributions paid during the year, real wage growth, inflation, the volatility of asset classes, correlations between asset classes and state incentives – tax discounts, costs of pension plan and retirement products, assumed longevity?*

First and foremost, Insurance Europe believes it should be up to member states to decide which assumptions to consider to project retirement income.

In practice, assumptions used are different in each country and — most of the time — from one pillar to another. This is because different pillars are exposed to different risks and the assumptions used should reflect those risks. As a result, the consideration of investment returns and volatility, as well as the correlation between asset classes and state incentives is irrelevant most of the time for mandatory public pensions. Assumptions should therefore reflect the specific characteristics of each country, pillar, scheme, product and expected term of the contract. Insurance Europe strongly believes that using uniform assumptions for all pillars is not feasible or desirable (see Q22). Also, PTSs should always rely on information, data and methodology for projections already available at national level to streamline processes and minimise the cost of compliance. Standardisation of assumptions for all pillars is not feasible or desirable (see Q20).

In general, the insurance industry believes that private pension projections should primarily consider contributions paid in relation to investment returns. It believes that the consideration of other variables, such as labour market risks and wage evolution, would add complexity and volatility with no clear added value. It would like to reiterate that performance projections are always an estimation and never a guaranteed outcome. As a result, projections can never be “real”; considering projections as guaranteed outcomes or trying to factor in too many variables could be detrimental (for instance, in terms of complexity or the reliability of the outcome) without any added value for policymakers, national supervisors and savers. The work conducted by the Organisation for Economic Co-operation and Development (OECD) on stochastic modelling for the pan-European personal pension product (PEPP) shows that investment risk is the only decisive risk. Additional factors, such as unemployment, wage growth, etc., have little influence and lead to unnecessary complexity.

In addition, the insurance industry strongly opposes using the PEPP performance stochastic modelling in the context of PTS. The PEPP performance stochastic modelling is not workable for most statutory pension schemes and many DB schemes. Moreover, the PEPP is not implemented (and thus not tested), therefore its efficiency and workability cannot be assessed for the time being. A blind replication could have detrimental consequences. In addition, Insurance Europe has expressed and maintains strong reservations about the PEPP performance

projections, being of the opinion that the approach envisaged by EIOPA for the PEPP is very complex and volatile, as it requires the factoring in of too many variables in a stochastic way.

Q24. *EIOPA recommends that data quality checks are the responsibility of both the provider and the PTS. The data transmitted to the PTS should be complete, timely updated and consistent. Which other principles would further enhance the data accuracy of PTS?*

n/a

Q25. *Do you agree that there should be a level playing field on data transmission between all pension providers meaning that if a certain product or product category is included in the scope of the PTS, then the protocol for the exchange of information should apply to all providers of these products, independent from the provider type, their size and their technological capacities? What would be the impact on providers of pension data to the PTS?*

- Yes
 No

Please add an explanation

Having the same protocol for the exchange of information applicable to all data providers would be ideal but does not seem realistic. Not only the data itself, but also the way it will be reported, will be different depending on the pillars and the sectoral reporting rules applicable to different private pension providers.

The concept of proportionality is also key to ensuring the participation of all stakeholders and therefore the success of a PTS.

NCA's could have a role to play in providing information for a PTS.

Q26. *Notwithstanding that the requirements on data exchange identified in this consultation are not specific to PTSs, what other safety certificates and requirements would ensure the security of the PTS?*

n/a

Q27. *Do you agree with the recommendations made by EIOPA on the connectivity with the ETS? Which other recommendations would be needed to make the ETS a success?*

- Yes
 No

Please add an explanation

While fully supporting the ETS project, the insurance industry believes that its objectives and target market are completely different from national pension tracking services. Therefore, one should not influence and/or be bound by the other.

Q28. *To what extent do you see the technological developments identified in this consultation as enablers for the development of future PTSs? Which other technological developments could enhance the establishment of PTSs or support the connection to the ETS?*

n/a

Governance and implementation of a national PTS

Q29. *To foster citizens' trust, do you agree that the governance structure of the PTS should be set in national measures, which should specify the development and delivery of a non-profit, independent, credible and transparent service run through a public-private partnership or by a public entity? If not, what is missing or what workable alternative would you propose which meets the principles set in this consultation?*

Yes, Insurance Europe agrees that the PTS structure should be defined at national level.

The insurance industry strongly recommends that PTSs should be run through public-private partnerships. National experiences of PTSs demonstrate the essential role played by the private sector, including insurers, in the establishment and management of such services, beyond the provision of data.

Q30. *To ensure full participation in PTS, do you agree that MSs planning to implement a PTS should introduce national measures specifying the modalities for setting up and funding the PTS as well as the legal duties and responsibilities of both the PTS and the different parties involved in the PTS? What would be the impact of this approach on your organisation/sector? If not, what is missing or what workable alternative would you propose which meets the principles set in this consultation?*

Yes, Insurance Europe agrees that the modalities for the setting and the funding, as well as the legal duties and responsibilities, of a PTS should be defined at national level.

Such an approach, if paired with the standardisation of data as recommended by EIOPA, would have a major impact on insurers. A huge bulk of the data feeding into a PTS would be provided by the insurance industry. Any change or additional reporting requirement would not only be burdensome but also increase legal and non-compliance risk. It would also confuse PTS users, as the information provided would be different from pension disclosures.

This is why Insurance Europe strongly recommends that PTSs should rely on information, data and methodology for projections already available at national level to streamline processes and minimise the cost of compliance.

Q31. *To facilitate the effective implementation of the PTS, do you agree with a progressive roll-out of the PTS over time based on a well-defined strategy which accounts for data providers' different readiness levels and adjustments to new requirements ensuring the complete and accurate transmission of personal data to the PTS? What would be the impact of this approach on your organisation/sector? If not, what is missing or what workable alternative would you propose which meets the principles set out in this consultation?*

Yes, Insurance Europe agrees with a progressive roll-out of the PTS over time based on a well-defined long-term strategy.

A PTS should first and foremost focus on its primary objective, ie, to provide information on pension entitlements.

Other aspects — such as financial education, information on options available and/or nudging users into taking additional steps — could eventually be part of the longer-term progressive roll-out strategy if a thorough

consumer testing and cost-benefit analysis confirm their relevance. Care must be taken to ensure that PTSs do not serve hidden political agendas.

Q32. Do you agree that the PTS should be free of charge for users, hence the PTS should be financed through general taxation, or a levy on providers of supplementary pensions or a combination of both whilst MSs should also consider how these costs may be shared between government and relevant partner organisations? What would be the impact of this approach on your organisation/sector? If not, what is missing or what workable alternative would you propose which meets the principles set in this consultation?

- Yes
 No

Please add an explanation

For a PTS to produce its intended effect and achieve its primary objective it should be free of charge for users.

PTS governance and funding should be based on public-private partnerships. Indeed, the industry cannot be solely responsible for PTS funding for several reasons:

- The scope of PTSs often goes beyond private pension savings.
- Raising awareness of long-term pension adequacy is a joint effort but is first and foremost the remit of public authorities.
- Ultimately, savers/policyholders will end up bearing the costs.

Q33. Do you agree that the successful implementation of the PTS necessitates integrating the PTS in a wider strategy (e.g. support auto-enrolment reforms, improve financial capability) which also aims to provide useful tools for the development of the PTS (e.g. national guidance on pension communication/language)? If not, what is missing or what workable alternative would you propose which meets the principles set in this consultation?

- Yes
 No

Please add an explanation

A PTS can contribute to providing clear pension communication through multiple channels/means. However, the insurance industry strongly opposes EIOPA's recommendation to include pension tracking services in a wider range of policy measures. While it agrees that a PTS will not be able to tackle the pension savings gap on its own, it believes that EIOPA is going beyond the scope of the EC request and of its remit when recommending that countries introduce other types of policy measures (eg, auto-enrolment) at national level. Auto-enrolment and other policy measures could indeed be envisaged, but at national level only in cooperation with social partners, to reflect and embrace the architecture and characteristics of different pension systems across Europe.

A PTS should provide neutral and objective information on individuals' pension entitlements. It should not seek to achieve other political objectives.

Before considering other types of policy measures, it is essential that citizens are provided with an adequate offer of state subsidised private and occupational pension products suiting their demands and needs to complement public pensions. Multi-pillar pension systems are effective in diversifying risks and ultimately ensure adequate pensions for all individuals. PTSs, auto-enrolment mechanisms and financial education programs are only effective if the underlying pension system is well-developed, stable and incentivised.

Final comments

Q34. *Do you have any other comments to share with EIOPA?*

Insurance Europe regrets that, in the draft advice, the role of the industry is limited to being merely data provider, that need to be coerced via legislative measures to provide good quality data. This does not reflect the reality that in several countries insurers have been and still are instrumental in the establishment and management of PTSs. In Denmark for instance, the national pension tracking service is entirely managed by the Danish association of insurers. The insurance industry has been advocating for a long time the transparency of pension entitlements, stressing the importance of transparency to stimulate further savings.

For the time being, it does not seem possible that a PTS could replace or even alleviate the burden of existing reporting and disclosure requirements applicable to private pension providers (.144). This has to do with the inherently digital nature of PTSs and the fact that many pieces of sectoral legislation prevent fully digital information disclosure in practice.

Insurance Europe is the European insurance and reinsurance federation. Through its 37 member bodies — the national insurance associations — it represents all types and sizes of insurance and reinsurance undertakings. 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 pay out almost €1 000bn annually — or €2.7bn a day — in claims, directly employ nearly 950 000 people and invest over €10.4trn in the economy.