

Building Europe's Future

Mobilising insurance investment for infrastructure

Europe has significant investment needs, much of which relate to infrastructure – from energy grids and renewable generation to transport and digital networks. Public budgets cannot meet these needs alone. **Mobilising private capital at scale is essential.**

Insurers already help finance major infrastructure projects across energy, transport, digital networks, social infrastructure and climate-resilience.

Sustaining and increasing this investment requires a stronger pipeline of investable projects, and a stable, predictable policy and regulatory environment that enables insurers to commit capital for the long term.

€750–800 billion

additional annual investment needed in Europe, according to the Draghi report

€9.5 trillion

in assets managed by European insurers

How do insurers already contribute?

Infrastructure is a natural fit for insurers' long-term investment horizon. Projects can generate cash flows over decades, while insurers provide patient capital and disciplined risk assessment.

Insurers already commit substantial capital through debt, equity, funds and direct investments. German insurers have invested more than €100 billion in infrastructure; French insurers held €67 billion at end-2024, while Italian insurers invested €17.6 billion in 2025.[i]

But capital can only flow where projects offer an appropriate risk-return profile, meet insurers' capital management needs and obligations to policyholders.

What holds investment back

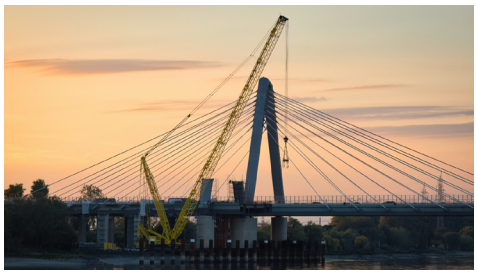
Creating the right investment opportunities

The biggest obstacle is often not a lack of available capital, but a shortage of large, investment-ready projects. Many local projects are small and fragmented, making them costly to assess and manage. Bespoke contracts and limited performance data can further increase transaction costs.



Managing long-term risks

Infrastructure projects can take years to plan and build, exposing investors to delays and cost overruns. For insurers, which must manage policyholders' money prudently, these risks can make early-stage projects difficult to finance.



The need for predictable revenues

Infrastructure investments last for decades, so investors need confidence that revenues will remain stable. Changes to tariffs, subsidies, grid access rules or other policies can affect returns after capital has been committed. In some sectors, limits on cost recovery can also discourage private investment.



Prudential and public constraints

Solvency II recognises infrastructure investments, but its criteria can be difficult to apply in practice. Rules should reflect actual risks while maintaining strong policyholder protection. Decisions on affordability, ownership and risk allocation remain a matter for public authorities.



Five ways to unlock investment

An effective infrastructure agenda must connect Europe's priorities with projects that long term investors can finance.

1. Deliver a European Infrastructure Deal

Create an EU-supported pipeline of bankable projects, accelerate permitting for strategic infrastructure and make it easier for capital to reach priority investments.

2. Create predictable investment conditions

Provide credible long-term revenue frameworks and allocate risks to those best able to manage them. Use targeted EIB and public guarantees and risk-sharing to unlock private capital where appropriate.

3. Build scale

Bundle smaller projects into larger programmes and investment platforms. Standardise contracts, procurement and reporting to reduce costs and make projects more accessible to institutional investors.

4. Keep prudential rules risk-sensitive

Ensure Solvency II's infrastructure treatment is workable in practice and reflects actual investment risks, while maintaining strong protection for policyholders.

5. Connect Europe's savings with productive investment

Advance the Savings and Investments Union and create the conditions for long-term European savings to reach productive infrastructure through suitable investment vehicles.



Europe faces major infrastructure investment needs, from energy and transport to digital and climate-resilience projects. Insurers already play an important role in providing long-term financing and have the capacity to do more.

To unlock additional private investment, policymakers should focus on building a stronger pipeline of investment-ready projects, creating stable and predictable investment conditions, and ensuring regulations support long-term capital while protecting policyholders.

Read our full recommendations: Infrastructure Investment and Insurance: Insurers' Role in Financing Long-Term Growth

[i] These figures cover different scopes and dates, but illustrate insurers' existing contribution and potential to do more.

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.

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