12/08/2026

Insurance Europe and CFO Forum joint answer to EIOPA's consultation on EU Taxonomy Disclosure

Q1 - Do you agree that the proposed revisions improve the decision-usefulness of Taxonomy disclosures while reducing reporting burden for insurance undertakings? Please explain.

Background: Include narrowing the denominator to eligible lines of business, standardising the calculation of eligibility, renaming the KPI, and introducing several broader simplification measures (pp. 17-27).

Answer:

Yes

No

Partially:

The objective of the EU Taxonomy is to improve transparency and support capital allocation towards environmentally sustainable economic activities. However, the current Underwriting KPI does not achieve this objective in practice. While insurers remain important enablers of the transition and contribute to climate adaptation through their core risk transfer function, **the UW KPI currently does not provide a meaningful measure of insurers' overall contribution to climate adaptation or the broader transition and is not generally relied upon by investors when making investment decisions.**

Investors typically consider a broader set or sustainability information, including transition plans, governance arrangements, risk management frameworks, engagement strategies and other sustainability disclosures in their assessments. As a result, the underwriting KPI provides a very limited and, in some cases, potentially misleading picture of insurers' sustainability contribution, limiting its decision-usefulness for users.

These shortcomings largely reflect limitations inherent in the design and scope of the current EU Taxonomy framework for underwriting activities. In particular, the KPI remains difficult to align with core insurance principles such as risk pooling and diversification. At the same time, **insurers do not consider that a fundamental redesign of the KPI would be proportionate**, particularly given the significant resources already invested in implementing the existing framework, including the development of methodologies, systems, controls and assurance processes. Furthermore, much of the information needed to understand insurers' contribution to sustainability, climate adaptation and the transition is already available through other reporting and disclosure frameworks, including CSRD sustainability disclosures, transition plans and related narrative reporting.

Against this background**, insurers support allowing the reporting of the Underwriting KPI to be voluntary and at management's discretion where the information is not considered decision useful.** Such an approach would be more proportionate while preserving the KPI where it is considered relevant.

This notwithstanding, insurers support targeted and proportionate refinements to the Underwriting KPI framework as a more proportionate way forward. Insurers are aligned with EIOPA's efforts to improve the comparability and interpretability of Taxonomy disclosures while reducing unnecessary complexity. This type of targeted amendments has the merit of not substantially increasing reporting burdens.

In particular, **insurers support narrowing the scope of the Underwriting KPI denominator to relevant non-life lines of business, standardising the calculation of eligibility, and improving consistency in reporting approaches.** While the proposed list of eligible lines of business may warrant further refinement, limiting the denominator to activities that are genuinely relevant to the KPI represents a step towards improving its comparability and interpretability. Insurers also support broader simplification measures, including the proposed removal of the gas and nuclear breakdown in the investment KPI and the removal of the combined KPI. To achieve genuine simplification and limit

Insurance Europe aisbl • Rue du Champ de Mars 23, B-1050 Brussels
Tel: +32 2 894 30 49 • E-mail: Crisfin@insuranceeurope.eu

© Insurance Europe. Confidential, internal document.
Not for distribution, all rights reserved.

added burden, the focus should remain on improving the usability, comparability and interpretability of existing disclosures.

For this reason, **insurers do not support the introduction of a Green Insured Activities (GIA) KPI, either as a complement to or a replacement for the current underwriting KPI.** Introducing a new KPI would require significant new data collection, governance, reporting and assurance processes while its decision-usefulness remains uncertain. Moreover, additional reporting requirements should not be introduced before their relevance, feasibility and value to users have been clearly demonstrated.

Finally, the simplification of the Taxonomy framework should be applied consistently across the broader EU sustainable finance framework. In particular**, the reliefs and simplification measures introduced under the revised ESRS should, where relevant, also be reflected in the Taxonomy Disclosure Delegated Act**. This includes aligning Taxonomy reporting boundaries with those established under the ESRS, ensuring that disclosures focus on assets and activities that are genuinely attributable to the undertaking and for which it bears the associated risks and rewards. More generally, simplification measures such as reliefs related to undue cost or effort and the deferred reporting of acquisitions should also be considered within the Taxonomy framework where appropriate. Such alignment would enhance consistency and coherence across sustainability reporting requirements, reduce unnecessary reporting burdens and duplication, and support a more proportionate reporting regime without undermining the decision-usefulness of Taxonomy disclosures.

Q2 - Do you agree with renaming the current underwriting KPI to "Adaptation Underwriting KPI" to better reflect its scope? Please explain.

Background: EIOPA proposes to rename the current underwriting KPI as the "Adaptation Underwriting KPI" to better reflect that it measures underwriting activities contributing to climate adaptation rather than insurers' overall environmental contribution (pp. 20–21).

Answer:

Yes

No

Partially

Insurers support the proposed renaming as it improves transparency regarding the specific scope of the KPI and reduces the risk of misinterpretation. However, a change in terminology alone will not address the significant underlying limitations arising from the current scope and design of the EU Taxonomy framework.

Insurers welcome EIOPA's objective of improving transparency and preventing potential misinterpretation by more clearly reflecting the scope of the current KPI. We agree that the current KPI may be misunderstood as reflecting insurers' overall environmental contribution, as it only covers underwriting activities contributing to climate change adaptation under the existing EU Taxonomy framework.

In this context, insurers consider that the proposed name could be further improved by referring explicitly to "***Climate Change* Adaptation Underwriting KPI**" as this would more accurately reflect the specific environmental objective captured under the EU Taxonomy framework. However, insurers consider that renaming the KPI alone does not address the main concerns regarding its representativeness and decision-usefulness, and that the benefits of the proposed change will remain limited. The proposed renaming improves transparency regarding the specific scope of the KPI and helps avoid misinterpretation. The KPI should therefore be understood as a metric for climate change adaptation-related underwriting activities rather than a measure of insurers' overall sustainability contribution.

Not applicable

Q3 - Do you support to keep the "split premium" approach for the Adaptation Underwriting KPI? Please provide reasons.

Background: EIOPA proposes to retain the current split premium approach, under which only the part of the premium linked to coverage of climate-related perils is counted in the KPI (pp. 17–18; 53–62).

Answer:

Yes

No

Partially

Yes, insurers support retaining the current split premium approach - **although this should not be interpreted as an endorsement of the split premium methodology itself**.

From a conceptual perspective, insurers have consistently highlighted that the split premium approach does not reflect core insurance principles of risk pooling and diversification, as it requires insurers to artificially separate climate-related and non-climate-related components of insurance products. As a result, the methodology produces mechanically low alignment ratios that do not adequately reflect insurers' contribution to climate change adaptation and resilience.

Nevertheless, as a matter of practical implementation, insurers have already invested significant resources in developing methodologies, systems, processes and governance arrangements to implement the current approach. At this stage, changing the methodology again would generate substantial additional implementation costs and operational burdens, while also disrupting comparability over time. Such a change would therefore be difficult to reconcile with EIOPA's objective of simplifying reporting requirements and reducing unnecessary burden for undertakings.

Not applicable

Q4 - Do you agree with the proposal to limit the denominator of the alignment and eligibility ratios to the 8 Eligible Lines of Business (LOB)? Explain why.

Background: EIOPA proposes to narrow the denominator of the alignment and eligibility ratios to the eight Taxonomy-eligible non-life LOBs (*Motor vehicle; Marine, aviation, and transport; Fire and other damage to property; General liability; Credit; Miscellaneous financial loss; Health; Reinsurance*) rather than all non-life business, in order to improve comparability and focus the KPI on activities that can potentially contribute to climate adaptation (pp. 18–19; 52-61).

Answer:

Yes

No

Partially

Insurers support the objective of refining the denominator of the Taxonomy-alignment and Taxonomy-eligibility ratios by focusing on the lines of business that are genuinely relevant to the underwriting activities covered by the KPI. A more targeted denominator would improve the interpretability and comparability of the KPI.

While insurers support the direction and the principle of reducing the scope of the denominator, insurers do not consider that EIOPA's proposed limitation to eight eligible lines of business represents the most appropriate approach. Instead, the denominator should, as far as possible, reflect the same underlying activities captured in the numerator.

If eligibility is defined by reference to climate-related activities, the denominator should follow the same principle and include only those lines of business containing climate-related exposures. Aligning the denominator more closely with the activities captured by the numerator would improve the conceptual consistency, interpretability and comparability of the KPI. In particular, there is a strong rationale for limiting the denominator to premiums associated with lines of business covering climate-related perils, as these are the activities that can contribute to the Taxonomy's adaptation objective. Including premiums unrelated to climate-related perils dilutes the KPI and weakens its ability to measure the activities it is intended to capture, impairing the decision usefulness of this KPI.

A **common industry-defined list of relevant lines of business** would provide a more appropriate basis for reporting. The framework should also remain flexible and allow for material climate adaptation and climate related perils exposures not captured by the common list to be appropriately reflected. **The reporting practice of insurers identifies: motor third-party liability insurance, other motor insurance, marine, aviation and transport insurance, and fire and other property insurance as the relevant LoBs to be included in the denominator.**

This approach is also consistent with the broader direction of the EU sustainable finance framework, which increasingly seeks to improve the representativeness of sustainability KPIs through material and relevant information rather than relying on a purely scope-based approach. It would constitute a targeted and proportionate refinement of the current framework, improving the consistency and comparability of the KPI while avoiding unnecessary complexity.

Finally, to address any concerns regarding the representativeness of the KPI following a narrowing of the denominator, **insurers see merit in disclosing a coverage ratio indicating the proportion of these LoBs within the insurer's non-life portfolio.** This would provide additional context and facilitate comparability across insurers with different business models and the related extent of their contribution to Taxonomy-aligned insurance activities.

Not applicable

Q5 - For the numerator of the eligibility ratio, do you agree with the proposed standardisation of determination of eligibility?

Background: EIOPA identified significant divergences in how insurers currently determine Taxonomy-eligible activities. It therefore proposes to standardise the numerator of the eligibility ratio by requiring insurers to apply the split premium approach and only include premiums corresponding to climate-related perils (pp. 18–20).

Answer:

Yes

As highlighted under Q3, this should not be interpreted as an endorsement of the underlying split premium methodology itself. Insurers have consistently highlighted the limitations of the split premium approach and its misalignment with core insurance principles.

Nevertheless, insurers have already invested significant resources in implementing the current framework. In this context, a standardised approach would improve consistency and comparability across the market while avoiding further implementation costs and reporting burden.

The proposal represents a pragmatic refinement of the existing framework. While it may improve methodological consistency, it does not address the broader limitation of the underwriting KPI identified in Q1.

No

Partially

Not applicable

Q6 - Do you support the introduction of a "Green Insured Activities KPI" measuring exposure to Taxonomy-aligned counterparties or assets? If so:

a. **Do you consider that the KPI should be applied on a voluntary or mandatory basis?**

b. **Do you consider that the introduction of such a KPI should be deferred to the longer term?**

Please provide reasons for your answer.

Background: EIOPA is considering the introduction of a new Green Insured Activities KPI that would measure the share of underwriting exposure linked to Taxonomy-aligned companies and assets. The objective is to better reflect insurers' enabling role in supporting sustainable economic activities and align the approach more closely with the banking sector's Green Asset Ratio (pp. 21–27).

Answer:

Yes

No

Insurers **do not support the introduction of a Green Insured Activities KPI (GIA KPI)** at this stage or in the future.

The proposed KPI would not adequately reflect the role of insurers in the economy and raises important conceptual and practical challenges. As a replacement for the current UW KPI, it would not resolve the difficulty of capturing insurers' sustainability performance and contribution to sustainability objectives through a single metric.

Unlike investors and lenders, insurers do not just allocate capital but provide risk transfer and protection services. As a result, the KPI would primarily reflect the Taxonomy alignment of insured counterparties or assets rather than insurers' own sustainability performance or contribution to the transition. A high KPI value would therefore largely depend on the Taxonomy alignment of the activities or assets being insured, rather than on actions taken by the insurer itself to advance sustainability objectives. While insurers provide essential risk transfer and protection services, insuring an already Taxonomy-aligned activity does not in itself demonstrate a direct contribution by the insurer to improving that activity's sustainability performance, which is what Taxonomy KPIs are ultimately intended to capture.

Introducing the GIA KPI alongside the existing UW KPI would also increase complexity and reduce clarity for users. The two indicators would measure different concepts using different methodologies, making interpretation more difficult without providing additional decision-useful information.

The KPI could also create unintended incentives by discouraging coverage of sectors or companies that are not yet Taxonomy-aligned but require insurance to operate and transition. In addition, insurers have only recently implemented the current Taxonomy framework and have already invested significant resources in related systems and processes.

Partially

Not applicable

If you selected yes:

a) Do you consider that the KPI should be applied on a voluntary or mandatory basis?

Answer

b) Do you consider that the introduction of such a KPI should be deferred to the longer term?

Q7 - Should this KPI complement or replace the current KPI over time? Please explain.

Background: EIOPA's preliminary view is that the proposed Green Insured Activities KPI should complement, rather than replace, the current underwriting KPI, as the two indicators capture different information (pp. 21–22; 26–27).

Answer:

Yes

No

Insurers do not support introducing the GIA KPI at all at this stage or in the future.

Introducing the KPI as a complement would add complexity to an already demanding reporting framework while providing no additional decision-useful information for users. It would also create additional reporting burden for insurers and run counter to the European Commission's simplification objective. Moreover, the operational and conceptual issues associated with the GIA remain unresolved.

Replacing the current KPI would be even less appropriate, as it would remove a metric whose objective is to capture insurer's contribution to climate change adaptation through underwriting activities recognised under the Taxonomy framework, even if its ability to fully achieve that objective remains constrained by the methodological limitations outlined above.

Moreover, replacing it with a KPI primarily based on the Taxonomy alignment of insured counterparties or assets would move further away from this objective by shifting the focus from insurers' own underwriting contribution to the characteristics of the underlying counterparties or exposures, without addressing the decision-usefulness concerns identified above.

Partially

Not applicable

Q8 - Do you support the methodology for the Green Insured Activities KPI? If not, what alternative calculation approaches would work better to identify the Taxonomy-alignment of insured companies and objects?

Background: EIOPA proposes a methodology based on a "look-through" approach that would measure underwriting exposure to Taxonomy-aligned counterparties and assets, covering both commercial and selected retail insurance activities (pp. 22–26).

Answer:

Yes

No

Insurers do not support the introduction of a Green Insured Activities KPI, either as a complement to or a replacement for the existing KPI, and therefore do not support the proposed methodology.

The proposed methodology raises several operational challenges. It relies heavily on Taxonomy information from insured counterparties and assets that is often unavailable, incomplete or outside insurers' control.

More generally, the KPI would require insurers to obtain, verify and maintain granular sustainability information at the level of insured counterparties and assets. This would necessitate significant investments in data collection, IT systems, methodology development, controls, assurance processes and ongoing reporting, despite the limited availability of reliable and comparable data.

The proposed approach also appears particularly difficult to apply to retail and personal lines of business. For products such as private liability insurance and other retail insurance products, there is generally no equivalent Taxonomy information available that would allow insurers to assess the Taxonomy alignment of policyholders or insured activities in a robust and meaningful manner. Limitations become even more evident in the context of reinsurance business particularly treaty

reinsurance contrasting with facultative reinsurance, where each insurable asset is underwritten and accepted or declined individually.

Beyond these operational considerations, the proposed KPI also raises several conceptual challenges.

As acknowledged by EIOPA, insurance products sold to smaller corporates exempted from CSRD reporting, as well as policyholders or insured objects for which Taxonomy eligibility cannot be assessed, would be excluded from both the numerator and denominator of the KPI. As a result, the KPI may be based on only a limited subset of insurers' underwriting activities, raising concerns regarding its representativeness and decision-usefulness.

In addition, the proposed KPI would significantly increase complexity by introducing an additional indicator alongside the existing underwriting KPI (or Adaptation underwriting KPI), reducing clarity for users. Moreover, the methodology would require insurers to establish extensive new data collection, verification and reporting processes, creating substantial implementation costs and operational burdens. This is particularly challenging given the limited availability of reliable and comparable data and the uncertainty surrounding the long-term design of the KPI.

Partially

Not applicable

If you selected no, what alternative calculation approaches would work better to identify the Taxonomy-alignment of insured companies and objects?

Insurers do not support seeking alternative calculation approaches. Instead, insurers consider that targeted refinements to the existing underwriting KPI, alongside its voluntary application, as outlined in the responses to the previous questions, represent the most appropriate and proportionate way forward.

Insurers already provide a broad and comprehensive picture of their role in supporting climate change adaptation and mitigation through sustainability reporting under the ESRS. Reporting practices are continuing to evolve, with insurers increasingly developing entity-specific metrics and disclosures that provide users with decision-useful information on their impacts, risks and opportunities. Examples include metrics related to financed emissions and insurance-associated emissions, where relevant.

Against this background, insurers do not consider that the introduction of an additional KPI (e.g. GIA KPI) is currently necessary. Allowing market practice to further develop within a simplified and stable reporting framework would provide an opportunity to assess how existing disclosures evolve and whether any material information gaps remain.

Q9 - Do you agree with simplifying the Investment KPI by removing the breakdowns for gas and nuclear activities?

Background: EIOPA proposes removing the separate disclosure of gas and nuclear activities from investment and underwriting templates, on the basis that the information is either not relevant (underwriting) or generally immaterial (investments) (p. 28).

Answer:

Yes

Insurers support the removal of the gas and nuclear breakdown from both the investment and underwriting templates.

The proposed simplification is a welcome step towards improving the usability, proportionality, and decision-usefulness of Taxonomy reporting while reducing unnecessary reporting burden. **In practice, gas and nuclear exposures are generally immaterial (ratio of only a few basis points) to insurers' investment portfolios.** As rightly acknowledged by EIOPA, **the gas and nuclear breakdown is also not applicable to the underwriting KPI.** Retaining a dedicated breakdown for these activities would perpetuate complexity in the reporting framework without providing users with a meaningfully better understanding of insurers' sustainability profile.

More broadly, simplifying the reporting templates in this way would improve clarity and comparability. **The proposed deletion also illustrates the merit of a broader simplification of Annex X, focusing reporting requirements on information that is applicable and / or relevant to the insurance sector while removing disclosures that provide limited additional insight.**

No

Partially

Not applicable

Q10 - Do you agree with removing the combined KPI (weighted average of underwriting and investment KPIs)?

Background: EIOPA proposes removing the current weighted average of the investment KPI and underwriting KPI, arguing that combining asset- and liability-based metrics lacks economic rationale. Instead, insurers would report both KPIs separately and, where a single figure is needed, use the KPI for the activity with highest revenue (p. 27).

Answer:

Yes

Insurers strongly support removing the combined KPI. This proposal represents a pragmatic refinement of the current framework, removing a metric that lacks a clear economic rationale while improving the clarify and interpretability of Taxonomy disclosures.

As rightly acknowledged by EIOPA, the combined KPI aggregates two fundamentally different activities – underwriting and investment – that serve different purposes, rely on distinct methodologies, and reflect different parts of insurers' business models. It also combines two different types of metrics, based respectively on premiums and investments, which are not directly comparable, lacking a common basis for weighting.

This aggregation creates confusion, reduces interpretability and limits decision-usefulness for users, who are left unable to distinguish the drivers behind the reported figure or draw meaningful conclusions about insurers' actual environmental performance. Insurers also agree with EIOPA's assessment that, given the inherently limited scope of the current underwriting KPI, an aggregated combined KPI places insurers at a comparative disadvantage relative to other financial institutions and non-financial undertakings, whose Taxonomy metrics are not similarly diluted by the combination of unrelated activities.

The current separate disclosure of the underwriting and investment KPIs allows each indicator to represent its own informational value, gives users a clearer and more accurate understanding of insurers' activities. Insurers therefore support the removal of the combined KPI in favour of separate disclosure of both metrics, while recognising the importance of ensuring that the resulting framework preserves a level playing field across the insurance sector.

No

Partially

Not applicable

Q11 - Do you support the introduction of an executive summary (dashboard) containing key Taxonomy and ESRS indicators in the Annual Report?

Background: EIOPA proposes introducing a dashboard-style executive summary in annual reports to give greater prominence to key Taxonomy and ESRS disclosures and improve the usability of sustainability reporting (p. 28).

Answer:

Yes

No

Insurers do not support the introduction of an executive summary, as it goes against EIOPA and the Commission's objective to simplify and reduce reporting burden.

We appreciate EIOPA's efforts to improve the decision-usefulness of disclosures and enhance the link between Taxonomy and broader sustainability reporting.

However, insurers do not support the introduction of an executive summary containing key Taxonomy and ESRS indicators in Annual Reports. This measure would effectively **introduce an additional disclosure requirement and create new reporting and governance processes for insurers.** This runs counter to the broader objective of reducing reporting complexity and administrative burden.

Taxonomy and ESRS disclosures are already included in Annual Reports and are subject to established reporting requirements. Requiring a separate dashboard risk duplicating information rather than simplifying it, while adding further complexity to the reporting framework.

Moreover, insurers already provide introductory and contextual information alongside their Taxonomy disclosures where considered relevant, and there is limited evidence that a mandatory executive summary would materially improve usability or increase the actual use of Taxonomy KPIs by users. The main limitations of these KPIs stem from their underlying methodology rather than from how the information is presented.

The proposal also appears inconsistent with the broader EU simplification agenda. While the revised ESRS framework allows undertakings to provide an executive summary on a voluntary basis, EIOPA's proposal would introduce a mandatory requirement. Insurers should retain the flexibility to determine whether a summary is useful for their stakeholders and, where appropriate, include a Taxonomy-

related information within any voluntary sustainability reporting summary. A mandatory requirement is therefore unnecessary, as undertakings can already provide such information voluntarily today.

We therefore believe that efforts should focus on simplifying and streamlining existing disclosure requirements rather than introducing new reporting layers. **Any measures aimed at improving usability should not result in additional reporting obligations for preparers.** Furthermore, requirements relating to ESRS reporting go beyond the scope of EIOPA's mandate, which is focused on the EU Taxonomy framework.

Partially

Not applicable

Q12 - Bearing in mind that OpEx is not included in the current disclosure template for insurance undertakings' Investment KPI, could the OpEx KPI of investee companies become relevant for voluntary reporting by insurance undertakings, in combination with the CapEx KPI?

Background: Following a Commission request, the ESAs assessed whether financial institutions should be allowed to use investee companies' Taxonomy OpEx KPIs on a voluntary basis. Their preliminary view is that this would add complexity and costs while providing limited additional information (pp. 29–31).

Answer:

Yes

No

Insurers oppose the voluntary use of investee companies' OpEx KPI.

Efforts should focus on improving the proportionality of the metrics already in use, rather than expanding the framework to include additional, less decision-useful indicators.

As raised by EIOPA, combining OpEx and CapEx would require blending a "flow" metric with a "stock" metric, which are conceptually different in nature and not readily comparable. Even where OpEx data is available, its current definition under the DDA departs significantly from standard operating cost concepts, making it difficult to interpret and reconcile with investee companies' financial reporting. Introducing it into the Investment KPI would therefore only add complexity and reduce transparency, without any significant gains regarding usability and insights into insurers' portfolios.

Given that the Investment KPI already faces significant data and coverage limitations, introducing OpEx would add a further, low-value data dimension which would compound rather than resolve existing usability challenges.

Partially

Not applicable

Q13 - The ESAs are proposing to remove the weighted average for group reporting. Do you agree that, in cases where a single KPI figure is required (such as for investment KPIs or investments made by financial products disclosed under SFDR), the KPI of the main business of the group should be used? If not, what alternative methodology would you propose?

Background: The ESAs propose replacing the current weighted-average approach for mixed groups with a framework under which group reporting would rely primarily on the KPI applicable to the group's main business activity (pp. 37–42).

Answer:

Yes

Insurers support replacing the weighted-average approach with reporting based on the main business of the group.

We agree that combining KPIs across different types of undertakings, each designed around a distinct business model and methodology, is overcomplicated and does not produce a meaningful figure. Where a single KPI is required for specific reporting purposes, using the KPI of the group's main business activity is a more proportionate and workable approach than calculating a weighted average.

This better reflects the economic reality of the group and avoids the methodological challenges and interpretability issues associated with aggregating KPIs that were never designed to be combined.

No

Partially

Not applicable

If not, what alternative methodology would you propose?

[…]

Q14 - Do you agree that computing group level KPIs for mixed groups as currently described in the FAQs of the Third Commission Notice poses challenges? If not so, please explain how the identified issues could be solved in practice.

Background: The ESAs have identified practical difficulties with the weighted-average methodology currently described in the Third Commission Notice, including double counting, methodological inconsistencies and limited usefulness for users (pp. 33–35; 42).

Answer:

Yes

Insurers agree that the current approach to computing group-level KPIs for mixed groups as currently described in the FAQs of the Third Commission Notice poses significant practical and conceptual challenges.

The current weighted-average approach may create double counting risks, particularly where sectoral KPIs are already based on consolidated financial information and are then aggregated again at group level. Moreover, it requires the aggregation of KPIs that are based on different methodologies and measure fundamentally different activities, such as investment and underwriting activities in the case of insurance groups, or financial and non-financial activities in mixed groups.

This aggregation **reduces the transparency, interpretability and decision usefulness of Taxonomy disclosures.**

Insurers therefore support reconsidering the current approach and avoiding a mechanical weighted-average KPI that aggregates non-comparable indicators.

No

Partially

Not applicable

If not, please explain how the identified issues could be solved in practice

[…]

Q15 - Do you have comments on the common principles based on which possible solutions have been developed by the ESAs?

Background: The ESAs have developed a set of common principles for group reporting, including proportionality, consistency across sectors, and a focus on meaningful disclosures rather than the aggregation of fundamentally different KPIs (pp. 36–37).

Answer:

Yes

Insurers broadly support the common principles identified by the ESAs, in particular the focus on meaningful disclosures, proportionality and avoiding the aggregation of fundamentally different KPIs.

Insurers support the principle that **the group's main reporting regime should be based only on group-level disclosures.** No additional mandatory disclosures should be required for other activities or at subsidiary or sub-group level. Under the proposed approach, KPIs relating to other activities or to subsidiary or sub-group levels would not be used in the calculation of users' Taxonomy KPIs. Requiring such disclosures would therefore add complexity without providing proportionate decision-useful information to users.

No

Partially

Not applicable

Q16 - Do you see specific challenges on how to determine the group main reporting regime or prevalent business of a mixed group or financial conglomerate? Please provide examples if relevant.

Background: The ESAs are considering two approaches to determine the reporting regime applicable to mixed groups: based on the type of parent undertaking or based on the group's predominant activity. Feedback is sought on potential implementation challenges (pp. 37–38).

Answer:

Yes

No

Undertakings should retain the discretion to determine the most relevant reporting regime and KPI based on their business activities and management's assessment of which metric best reflects the nature of the group and provides the most decision-useful information to users.

Insurers do not see specific challenges in determining the main reporting regime or predominant business of a mixed group or financial conglomerate. In practice, undertakings already apply judgement and discretion when determining the main business activity of the group and have developed practicable and auditable approaches for doing so.

Insurers therefore do not consider it necessary to introduce a new framework based exclusively on either the nature of the parent undertaking or a mechanically determined predominant activity. Such an approach could create additional complexity.

Partially

Not applicable

Please provide examples if relevant.

If not, please explain how the identified issues could be solved in practice.

[…]

Q17 - Do you support introducing a 10% materiality threshold based on the turnover generated by the other businesses a mixed group engages in? If not, please explain why.

Background: The ESAs propose introducing a 10% materiality threshold, inspired by the Omnibus Delegated Act, to determine when additional disclosures should be required for subsidiaries carrying out different business activities (pp. 40–42).

Answer:

Yes

No

Insurers oppose the introduction of a 10% materiality threshold based on the turnover generated by other business activities in a mixed group.

A fixed quantitative threshold would entail additional KPIs reporting for secondary business activities once the threshold is met, irrespective of whether such information would provide material additional insight into the group's overall Taxonomy profile. This would add a new layer of reporting and increase complexity without necessarily improving the decision-usefulness of group-level disclosures.

The proposed threshold would also be inconsistent with existing reporting practices and with the objective of simplifying the Taxonomy reporting framework. As highlighted in Q16, undertakings already apply judgement and discretion to determine the reporting regime and KPI that best reflect the nature of the group and its business activities. Introducing an automatic threshold would interfere with these practices without demonstrating that the resulting disclosures would provide meaningful additional information to users.

Insurers do not support additional mandatory KPI reporting for subsidiaries, sub-groups or secondary business activities.

Partially

Not applicable

If not, please explain why.

[…]

Q18 - Do you think that the proposal regarding sub-group level disclosures would provide a sufficiently transparent depiction of the Taxonomy profile of a mixed group? Please explain your views on the different criteria identified.

Background: The ESAs propose that additional disclosures should be required only where the main reporting regime does not adequately reflect material activities conducted by subsidiaries or sub-groups, based on criteria such as materiality, integration within group reporting and the nature of the activities. These additional disclosures could take a simplified form (pp. 38–42).

Answer:

Yes

No

Insurers do not support the introduction of additional mandatory sub-group level disclosures for mixed groups.

While insurers recognise the importance of transparent group-level Taxonomy disclosures, requiring information at sub-group level would introduce an additional reporting layer and increase complexity, contrary to the objective of simplifying the Taxonomy reporting framework.

Applying the criteria identified by the ESAs could require mixed groups to perform additional assessments and prepare separate disclosures for subsidiaries or sub-groups whose activities differ from the group's predominant business, without necessarily providing additional decision-useful information to users. In particular, materiality alone should not trigger separate sectoral KPI reporting, as a subsidiary or business segment may conduct only a limited range of activities and may therefore not be meaningfully represented by the full reporting regime applicable to that sector.

The group's main reporting regime should therefore remain the basis for group-level Taxonomy disclosures, and no additional mandatory disclosures should be required at subsidiary or sub-group level.

Partially

Not applicable

Please explain your views on the different criteria identified.

[…]

Q19 - What are your views on the types of disclosures which should be required for the other activities businesses? Do you think that the full templates should be disclosed to enable easier comparability with undertakings engaging in similar activities or would you support lighter disclosures? Please explain.

Background: The ESAs suggest that material subsidiaries or intermediate parent undertakings with activities different from the parent may need to disclose additional KPIs. They are considering whether these should follow full Taxonomy templates or simplified KPI-based disclosures, potentially with narrative explanations, to balance transparency and reporting burden (pp. 41–42).

Answer

Insurers do not support requiring additional disclosures for other business activities, whether through full templates or simplified KPI disclosures.

As explained under Q18, the group's main reporting regime should remain the basis for group-level Taxonomy disclosures, without additional mandatory reporting at subsidiary or sub-group level.

Requiring full templates would introduce an additional reporting layer for activities that are not representative of the group's predominant business. At the same time, lighter disclosures would not necessarily provide a proportionate alternative, as simplified KPIs could still require undertakings to perform sustainability similar data collection, calculations and assessments as those needed for the corresponding full sectoral templates.

Insurers therefore consider that neither full templates nor lighter mandatory disclosures should be required for other business activities.

The European Insurance CFO Forum ('CFO Forum') is a high-level discussion group formed and attended by the Chief Financial Officers of major European listed, and some non-listed, insurance companies. Its aim is to influence the development of financial reporting, value based reporting, and related regulatory developments for insurance enterprises on behalf of its members, who represent a significant part of the European insurance industry. The CFO Forum was created in 2002. More information on the CFO Forum is available at www.cfoforum.eu.

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.