

Response to European Commission communication on the call for evidence: More ambition required to boost EU economic growth

Following today's publication of the European Commission [communication](#) on the call for evidence on the EU regulatory framework for financial services, Michaela Koller, director general of Insurance Europe, said:

"The European Commission's goal of the Capital Markets Union is to boost economic growth in Europe. The call for evidence exercise was an effective way for the Commission to identify a range of regulatory issues that risk damaging the efficiency and growth of the European economy. Addressing the prudential treatment of infrastructure, private equity and private debt in Solvency II is certainly a welcome step in the right direction, although there is no clarity on timing.

"However, since these assets represent only a small percentage of insurers' portfolios, more needs to be done to achieve the ambitious goals that the Commission has set itself. In particular, capital requirements for the vast majority of insurers' long-term investments are too high compared to the true risks they pose, but are currently not covered in the follow-up actions.

"Unfortunately, these capital requirements unnecessarily disincentivise insurers from making the long-term investment that Europe so badly needs to boost growth and our customers need for reasonable pensions. Insurers are therefore calling for a wider scope of changes to cover all long-term investments, including equity. The Commission should also begin work on addressing the artificial volatility created by Solvency II's measurement approach, to ensure the directive's 2020 deadline for tackling this complex, but important, issue can be met.

"Regarding conduct of business rules, Insurance Europe is disappointed that the Commission has not explained how it intends to make regulation future proof and address overloading and duplicatory information requirements that will result from the combined application of several EU consumer protection rules. To be clear: this is not an industry request to scrap information requirements; insurers are merely asking that inconsistency and duplication are addressed. Likewise, the industry is asking that rules that oblige it to use paper as a default option are revised, because insurers need legislation that is both digital and future proof to service their customers and remain competitive."

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Notes for editors

1. For further information, to request a media interview or to be added to our mailing list, please contact Richard Mackillican, policy advisor, communications & PR (tel: +32 2 894 30 69, mackillican@insuranceeurope.eu).
2. You can also receive updates from Insurance Europe by signing up [here](#) or by following us on Twitter @InsuranceEurope.
3. Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monolins, mutuals and SMEs. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers

generate premium income of more than €1 200bn, employ almost one million people and invest almost €9 800bn in the economy.