

New reporting for Value for Money (VfM) is unnecessary

The Retail Investment Strategy (RIS) proposals require new reporting requirements to assess the Value for Money (VfM) of insurance-based investment products (IBIPs) through benchmarks and peer-grouping comparisons. In parallel, the European Insurance and Occupational Pensions Authority (EIOPA) in its [revised methodology](#) on VfM benchmarks (October 2024), highlighted its intention to also refine and adjust the questionnaire of the Cost and Past Performance (CPP) report for the purpose of the benchmarking exercise – potentially meaning that more granular data will be requested from insurers.

However, these requirements are unnecessary, disproportionate and would only increase the reporting burden on insurance companies without any proven benefit. This is because a substantial amount of data is already available through the Key Information Document (KID), which can include up to 119 datapoints, and the extensive Solvency II reporting, which comprises thousands of datapoints. The KID is also accessible on insurers' websites, and from 1 January 2028, the European Single Access Point (ESAP) will further enhance the readability of those indicators.

In addition, the [Solvency II reporting template S.14.01](#) (see pages 129-130), which was expanded for Q4 2023 reporting, provides EIOPA with more detailed product-specific information. EIOPA also gathers Solvency II-based retail risk indicators (see [here](#)), and some national authorities impose further national reporting requirements.

"The importance of the data from Solvency II has been gradually increasing over time and this data is currently extensively used for the drafting of the EIOPA Consumer Trends Report and broadly to perform market monitoring supervision... different analysis has confirmed that with appropriate assessments this source of information can be a good proxy to identify market trends and areas of possible concerns."

[ESAs advice on the review of the PRIIPs Regulation](#) (April 2022)

Given this extensive existing data, the proposed additional reporting requirements are redundant. Increasing the reporting burden and red tape would undermine competitiveness, and unnecessarily escalate the complexity and costs for insurers, which would ultimately be borne by the consumers. It would neither be justified nor proportionate, especially considering the European Commission's commitment to reduce the reporting burden on market players by 25% and for small and medium-sized enterprises (SMEs) by at least 35%.

Instead, supervisors should focus on initial market screenings to identify outliers and subsequently conduct further investigations where needed.








KID








Solvency II

Demonstration of data that are already available

Insurance Europe provides below a demonstration of data that are already available to authorities, which would be sufficient to fulfil the type of information deemed necessary by EIOPA in its [revised methodology on VFM benchmarks](#) (Product clusters and indicators, October 2024):

Product clusters - Essential features	Available in the KID (link)?	Available in Solvency II (link)?
Product category	 ("What is this product?" section)	 at product level (eg C0030 – Line of Business, C0101 – product classification)
Premium frequency	 (Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	
Recommended holding period (RHP)	 (RHP)	 at product level (C0142 - remaining contractual maturity)
Biometric cover	 (Insurance benefits, which would become even more accessible under the new "Product at a glance" dashboard proposed by the RIS)	Likely possible to define based on C0101 – product classification
Asset class (equity, asset allocation funds, rest)	The Objectives section in the KID mentions the assets in which the money will be invested. Where applicable, information can be found in the Specific Information Document for Multi-Option Products	
Summary risk indicator (SRI)	 (SRI)	

Indicators	Available in the KID (link)?	Available in Solvency II (link)?
Total entry costs/total premium	The entry cost is available as Reduction in Yield (RiY) and the total premium as example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums	Certain info can be taken at product level (C0071 – Commissions paid)
Total entry costs/total costs	The entry cost is available as RiY and the total cost as both RiY and EUR	
Total cost paid/premiums	 (Total cost in EUR which includes distribution costs/Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	
RiY at intermediate time periods		
Surrender value/total premium	 (Moderate performance scenario/Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	 at product level (C0200 – Surrender value)
Annual Internal Rate of Return (IRR) according to the PRIIPs methodology	The moderate performance scenario can be used for similar assessments	
Insured event scenario/total premium	 (Death performance scenario/Example investment 10,000 EUR single premium or 1,000 EUR per month regular premiums)	
Average annual return of the investment needed to break even (the return should be net of underlying investment costs and biometric premium)	The RIY expresses the impact of costs on returns and can be used for similar assessments	

The KID can be used also for other information (eg guarantee, sustainability objectives, intended retail investor), as well as Solvency II reporting per product (eg sustainability features, pension, total amount of commissions paid during the year, best estimate and technical provisions as a whole, surrender value, guaranteed rate, exit conditions at reporting date, premiums).

Where to find the data in the PRIIPs Key Information Document (KID)

Key Information Document

Purpose
This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product
Insurance Product (ISIN 00001234567) by European Insurance Company. For more information, please contact European Insurance Company, Rue Bellard 225, 1000 Brussels, Belgium, www.europeaninsurancecompany.eu, +32 (0) 2 XXXXX, or contact your financial advisor. This Key Information Document had been created on 01-01-2023. The Financial Services and Markets Authority (<http://www.fsa.be>) is responsible for the supervision of the compliance of this product.

What is this product?
Type: Insurance-based investment product
Objectives: [Information stating the objectives of the PRIIP and the means for achieving those objectives in the section entitled "What is this product?" of the key information document shall be summarised in a brief, clear and easily understandable manner. That information shall identify the main factors upon which return depends, the underlying investment assets or reference values, and how the return is determined, and the relationship between the PRIIP's return and that of the underlying investment assets or reference values. Where relevant, including in the case of long term PRIIPs, the information shall reflect the relationship between the recommended holding period and the risk and reward profile of the PRIIP.]
Intended retail investor: [The description of the type of retail investor to whom the PRIIP is intended to be marketed in the section entitled "What is this product?" of the key information document shall include information on the target retail investors identified by the PRIIP manufacturer in particular depending on the ability of the retail investors to bear investment loss and their investment horizon preferences.]
Insurance benefits and costs: [The details of insurance benefits in the section entitled "What is this product?" of the key information document shall include in a general summary, namely, the key features of the insurance contract, a definition of each benefit included, with an explanatory statement indicating that the value of those benefits is shown in the section entitled "What are the risks and what I could get in return" and information which reflects the typical biometric characteristics of the target retail investors, showing the overall premium, the biometric risk premium that forms part of that overall premium and either the impact of the biometric risk premium on the investment return at the end of the recommended holding period or the impact of the cost part of the biometric risk premium taken into account in the recurring costs of the "Costs over time" table calculated in accordance with Annex VII. Where the premium is paid in the form of a single lump sum, the details shall include the amount invested, when the premium is paid periodically, the number of periodic payments, an estimation of the average biometric risk premium as a percentage of the annual premium, and an estimation of the average amount invested shall be included in the information.]
Terms: This PRIIPs has a term of XX months

What are the risks and what do I get in return?
Risk indicator
1 2 3 4 5 6 7
Lower risk ← → Higher risk
The risk indicator assumes you keep the product [for X years/until date]. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early. You may have to pay significant extra costs to cash in early. You may not be able to end your product early or you may have to end at a price that significantly impacts on how much you get back.
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is "a medium-low" risk class. In addition, brief explanation of the classification of the product with a maximum of 300 characters in plain language.
Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. In some circumstances you may be required to make further payments to pay for losses. The total loss you may incur may significantly exceed the amount invested. Other risks materially relevant to the PRIIP are included in the summary risk indicator to be explained with a maximum of 200 characters.
You are entitled to receive back at least [insert %] of your capital. Any amount over this, and any additional return, depends on future market performance and is uncertain. However, this protection against future market performance will not apply if you [...]
[Where early exit conditions apply] cash-in before [XX years/months/days]
[Where ongoing payments must be made] fail to make your payments in time.
[Where other limitations apply] explain these in a maximum of [...] characters in plain language.
This product does not include any protection from future market performance so you could lose some or all of your investment. If [see] not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance scenarios
What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last X years. Markets could develop very differently in the future.

Recommended holding period: XX	If you exit after 1 year	If you exit after XX years	If you exit after XX years (recommended holding period)
Example investment CXX			
Insurance premium CXX			

Survival scenarios
Minimum Monetary amount or there is no minimum guaranteed return if you exit before XX years/months/days (where applicable). You could lose some or all of your investment (where applicable).
Stress scenario What you might get back after costs: CXX CXX CXX
Average return each year: XXX% XXX% XXX%
Unfavourable scenario What you might get back after costs: CXX CXX CXX
Average return each year: XXX% XXX% XXX%
Moderate scenario What you might get back after costs: CXX CXX CXX
Average return each year: XXX% XXX% XXX%
Favourable scenario What you might get back after costs: CXX CXX CXX
Average return each year: XXX% XXX% XXX%

Amount invested over time CXX CXX CXX
Death scenario CXX CXX CXX
Insured event What your beneficiaries might get back after costs: CXX CXX CXX
Insurance premium taken over time CXX CXX CXX

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario shows what you might get back in extreme market circumstances. Brief explanation of the scenarios with a maximum of 300 characters in plain language. This product cannot be easily cashed in. If you exit the investment earlier than the recommended holding period you do not have a guarantee (where there is a guarantee only at the recommended holding period) and you may have to pay extra costs. The return is only guaranteed at the following conditions...
This graph illustrates how your investment could perform. You can compare it with the pay-off graphs of other derivatives. The graph presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop for each value of the underlying, the graph shows what the profit or loss of the product would be. The horizontal axis shows the various possible prices of the underlying value on the expiry date and the vertical axis shows the profit or loss. Buying this product holds that you think the underlying price will increase. Your maximum loss would be that you will lose all your investment (premium paid).

What happens if European Insurance Company is unable to pay out?
[PRIIP] manufacturer shall include the following in the section entitled "What happens if [the name of the PRIIP manufacturer] is unable to pay out?" of the key information document:
• an indication whether the retail investor may face a financial loss due to the default of the manufacturer or to the default of an entity other than the PRIIP manufacturer, and the identity of that entity;
• a clarification whether the loss referred to in point 1 is covered by an investor compensation or guarantee scheme, and whether there are any limitations or conditions to that cover.
What are the costs?
The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.
The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does (where applicable). The amounts shown here are illustrations based on an example investment amount and different possible investment periods.
We have assumed:
- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
[EUR 1 000 per year] is invested.

Cost over time

	If you exit after 1 year	If you exit after XX years	If you exit after XX years (recommended holding period)
Total costs	CXX	CXX	CXX
Annual cost impact*	XXX%	XXX% each year	XXX% each year

* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be XX% before costs and XX% after costs. (Where applicable) We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount. (Where applicable) These figures include the maximum distribution fee that the person selling you the product may charge (XX% of amount invested / XX EUR). This person will inform you of the actual distribution fee.

Composition of costs

One-off costs upon entry or exit	Annual cost impact if you exit after [recommended holding period]
Entry costs Description of the nature in no more than 300 characters: - XXX% of the amount you pay in when entering this investment. - XXX% of the first XX premiums you pay. - These costs are already included in the premiums. - This includes distribution costs of XXX% of amount invested / XX EUR. This is the most you will be charged on the person selling you the product will inform you of the actual charge.	Up to XX EUR (PRIIPs) or XX % (BIPs)
Exit costs Description of the nature in no more than 300 characters: - XXX% of your investment before it is paid out by you. - These costs only apply in the following circumstances.	XX EUR (PRIIPs) or XX % (BIPs)
Ongoing costs taken each year Management fees and other administrative or operating: XX% of the value of your investment per year.	XX EUR (PRIIPs) or XX % (BIPs)
Transaction costs XX% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	XX EUR (PRIIPs) or XX % (BIPs)
Incidental costs taken under specific conditions Performance fees and carried interest: Description in no more than 300 characters. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 5 years.	XX EUR (PRIIPs) or XX % (BIPs)

Explanation that different costs apply depending on the investment amount in maximum 150 characters.
How long should I hold it and can I take my money out early?
Recommended holding period: XX years
[PRIIP] manufacturers shall include the following at the section entitled "How long should I hold it and can I take my money out early?" of the key information document:
• a brief description of the reasons for the selection of the recommended holding period and, where present, the required minimum holding period;
• a description of the features of the disinvestment procedure and when disinvestment is possible, including an indication of the impact of cashing-in early on the risk or performance profile of the PRIIP, including whether cashing-in early has an impact on the applicability of capital guarantees;
• information about any fees and penalties which are incurred for disinvestments prior to maturity, including a cross reference to the information on costs to be included in the key information document pursuant to Article 5, including a clarification of the impact of such fees and penalties for different holding periods.
How can I complain?
If you want to file a complaint, please contact us:
European Insurance Company
Rue Bellard 225
1000 Brussels
Belgium
www.europeaninsurancecompany.eu/customer-service/complaints
Tel: +32 (0) 2 456 78 90
E-mail: customer-service@europeaninsurancecompany.eu

Other relevant information
[PRIIP] manufacturers shall indicate any additional information documents that may be provided in the section entitled "Other relevant information" of the key information document, and whether such additional information documents are mandatorily made available under Union or national law, or only available at the request of the retail investor. For certain 2 PRIIPs, link to the website, or a reference to a document, where the information about past performance published by the PRIIP is made available and indication of the number of years for which past performance data is presented.