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In this issue:

1. EIOPA's 2024 Insurance Risk Dashboard
2. EIOPA's IORP Risk Dashboard
3. ESMA's manufacturer and distributor data collection on costs linked to AIF and UCITs investments
4. IOSCO's Roadmap to enhance retail investor online safety and consultation papers
5. ESMA publishes first consolidated report on sanctions
6. ESAs' final report on ITS for ESAP
7. Summary of some recent Court of Justice of the European Union (CJEU) cases concerning insurance and consumer protection

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1. EIOPA's 2024 Insurance Risk Dashboard



On 31 October, EIOPA published its [October 2024 Insurance Risk Dashboard](#). It summarises the main risks and vulnerabilities in the European Union's insurance sector through a set of risk indicators from the second quarter of 2024 and end 2023. The data is based on financial stability and prudential reporting collected from insurance groups and solo insurance undertakings.

The 2024 Insurance Risk Dashboard shows that risks in the European insurance sector are stable and overall, at medium levels, with pockets of vulnerabilities stemming from market volatility and real estate prices.

Macroeconomic risks remain stable at medium level, with GDP growth forecasts holding steady, inflation forecasts slightly easing, and fiscal balances improving compared to the previous quarter.

Credit risks remain stable at medium level. In Q2 2024, insurers' median exposures to government and corporate bonds are broadly stable compared to the previous quarter, similarly to their corresponding credit default swaps (CDS) spreads, except for spreads for financial unsecured corporate bonds which narrowed.

Within **liquidity and funding risks**, funding conditions in the catastrophe bond market improved compared to the previous quarter, while other liquidity indicators remained largely unchanged.

Concerning **solvency and profitability risks**, solvency ratios for insurance groups and life solo undertakings fell slightly in the second quarter of the year while remaining largely unchanged for non-life undertakings. Recent data on return on assets, return to premiums and return on excess assets over liabilities point to a stable profitability outlook for insurers.

Market perceptions of the insurance sector remain stable, yet show an upward trend as valuation multiples increased for some groups. During this period, life and non-life insurance stocks have outpaced the market.

ESG-related risks and digitalisation and cyber risks show a worsening risk outlook for the next 12 months based on the assessment of national supervisors.

2. EIOPA's IORP Risk Dashboard



At the end of October, EIOPA published its [new quarterly risk assessment of the occupational pensions sector](#). The IORP (Institutions for occupational retirement provision) risk dashboards, based on individual occupational pensions regulatory reporting collected from 625 IORPs, summarise the main risks and vulnerabilities in the IORPs sector of the European Economic Area for defined contributions (DC) and defined benefits (DB) pension schemes. The IORP reporting information is complemented with market data with a cut-off date of end September 2024.

It includes a set of risk indicators covering risk categories, such as:

- market and credit risks,
- liquidity risks,
- reserve and funding risks,
- ESG risks, and
- digitalisation and cyber risks (stable at medium level but with a more downbeat outlook for this risk category on the back of ongoing geopolitical tensions and related uncertainties).

The latest dashboard shows that risks in the European IORP sector are stable and overall, at medium levels, with signs of vulnerabilities stemming from market volatility.

3. ESMA's manufacturer and distributor data collection on costs linked to AIF and UCITS investments



On 14 November 2024, ESMA announced the launch of a data collection exercise together with the national competent authorities (NCAs), on costs linked to investments in AIFs and UCITS. ESMA together with the NCAs designed a two-stage data collection exercise involving both manufacturers and distributors of investment funds:

- 1) Information requested from manufacturers will provide an indication on the different costs charged for the management of the investment funds.
- 2) **Information requested from distributors** (i.e., investment firms, "independent financial advisors", neo-brokers): ESMA states in its press release that distributors will inform "on the **fees paid directly by investors to distributors**".

ESMA explains that the initiative contributes to shedding light on pricing practices in a key part of the EU financial markets, information that has until now not been accessible to retail investors and supervisory authorities. "Greater transparency will allow investors to know more about the features of the products that are offered to them and will further support the development of a competitive market for UCITS and AIFs."

The data collection follows the Level 1 mandate received from the European Commission under the UCITSD/AIFMD review.

Next steps

A **report** based on these data will be submitted to the European Parliament, the Council and the European Commission in **October 2025**. This will also be **part of an enhanced 2025 ESMA market report on costs and performance of EU retail investment products**.

4. IOSCO's Roadmap to enhance retail investor online safety and consultation papers



On 19 November 2024, IOSCO, the International Organization of Securities Commissions, published a [New Roadmap to enhance Retail Investor Online Safety](#).

This strategic initiative aims to safeguard retail investors worldwide from fraud, excessive risk and misinformation as digital trading and social media reshape the retail financial market. It addresses these emerging risks by focussing on **enhancing investor education** and promoting **robust regulatory frameworks** to better protect retail investors.

IOSCO plans five waves of targeted actions for the coming 12 months. Part of the regulatory strategy assesses measures to address finfluencers, who often share unregulated advice on social media.

The first wave, published alongside the Roadmap, contains three Public Consultations:

1. [a Consultation Report on Finfluencers](#) - this elaborates Good Practices for regulators, market players, and Finfluencers to foster a safer, more transparent environment for retail investors.
2. [a Consultation Report on Copy Trading](#) - This popular approach, often focused on short-term strategies in complex and volatile markets such as foreign exchange and crypto-assets, exposes retail investors to significant risks through automated, high-risk trading decisions. The Report provides Good Practices to guide regulators in strengthening oversight of copy trading platforms, helping protect investors from potential harm.
3. [a Consultation Report on Digital Engagement Practices](#) (DEPs) - DEPs, such as gamification and targeted prompts, make investing more accessible and engaging, particularly for younger investors. While DEPs can boost financial literacy, they may also encourage excessive trading, steering investors toward high-risk products. IOSCO's Consultation Report calls for a balanced approach, setting Good Practices to ensure DEPs promote informed and safe trading behaviour.

Comments can be submitted by 20 January 2025.

Jean-Paul Servais, Chair of IOSCO's Board and Chairman of the Belgian Financial Services & Markets Authority (FSMA), said: *"Protecting retail investors lies at the heart of IOSCO's mission statement. Recent market developments across continents are calling for a globally coordinated response through IOSCO. The Roadmap is a landmark step toward creating a safe and transparent digital investment environment. IOSCO and its 130 member jurisdictions, representing 95% of global securities markets, are committed to working together to combat online harm and to uphold investor trust and confidence in online financial markets."*

5. ESMA publishes first consolidated report on sanctions



In October 2024, ESMA, the European Securities and Markets Authority, published its [first consolidated report on sanctions and measures](#) imposed by the National Competent Authorities (NCAs) in Member States in 2023.

In 2023, more than 970 administrative sanctions and measures were imposed across EU Member States in financial sectors under ESMA's remit. These include sanctions under AIFMD, BMR, CSDR, ECSMR, EMIR, MAR, MiCA, MiFID II, MiFIR, PR, SFTR and UCITS.

The aggregated value of administrative fines amounted to more than 71 million EUR. The **highest** amounts of administrative fines were imposed under the **Market Abuse Regulation (MAR)** and the **Markets in Financial Instruments Directive II (MiFID II)**.

Overall, the report highlights that there is still room for more convergence between NCAs in the exercise of their sanctioning powers.

ESMA stresses that the use of sanctions is only one of multiple tools in the NCA's supervisory toolkit, and supervisory effectiveness cannot be measured solely based on the number or value of the sanctions imposed in a Member State. The consolidated report does not provide a full picture of national enforcement activities; for example, these may also include more **informal** actions, and not all **criminal** sanctions are included in the scope of the report.

Next steps

Building on this report, ESMA will further foster the effective and consistent implementation of capital markets rules and ensure similar breaches lead to similar enforcement outcomes across the EU.

The underlying data is available in excel format and can be downloaded [here](#). In addition, a snapshot of the report's key findings can be found [here](#).

6. ESAs' final report on ITS for ESAP



On 29 October, the ESAs published the [final report](#) on the draft implementing technical standards (ITS) regarding certain tasks of the collection bodies and functionalities of the European Single Access Point (ESAP). According to the ESAs, the ITS are a key milestone for the successful establishment of the ESAP and the requirements are designed to enable future users to be able to access and use financial and sustainability information effectively and effortlessly in a centralised ESAP platform.

Reminder: According to the EC, the set-up of the ESAP is a key contribution to establishing the Savings and Investments Union. The ESAP will facilitate access to publicly available information relevant to financial services, capital markets and sustainability. The ESAP is foreseen in Level 1 legislation to be a two-tier system, where information is first submitted by entities to the "collection bodies" – Officially Appointed Mechanisms, offices and agencies of the EU, national authorities, among others – and then made available by the collection bodies to the ESAP.

What about intermediaries?

All intermediaries providing advice for IBIPs, and investment advice will have to submit that information to the relevant collection body at the same time for accessibility on ESAP. The amendments to the IDD, the MiFID II (unless fully fledged investment firms), the PRIIPs, the PEPP do not create a direct reporting obligation for intermediaries to a collection body/the ESAP. However, insurance and financial intermediaries wishing to publish and include additional categories of information in the ESAP, could decide to do so on a voluntary basis (*for more info, see our email of 9 January 2024*).

Content of the ITS:

- **Collection bodies:** The ITS on the tasks of collection bodies (mainly EIOPA for our sector and a list of designated collection bodies to be published and updated on ESMA's website) will specify detailed requirements for collection bodies, such as by when and in what format information should be made available to the ESAP, what type of validation checks should be performed on the information submitted by entities and what metadata should be included.
- **Functionalities of the ESAP:** The ITS specify the requirements for making information easily accessible to users. These requirements define, among other things, how reporting entities should be categorised by industry and size, which identifier should be used, what types of information should be made available on the ESAP, and the characteristics of the public Application Programming Interface (API) available to data users.

Next steps

- The ESAP is expected to start **collecting information in July 2026**, while the publication of information will start no later than **July 2027**.
- The EC still needs to adopt the final report.
- The first data relevant for FMPs (Financial Market Participants, such as intermediaries and financial advisors) are expected for **2028** on **PRIIPs KID, PEPP and SFDR**. Then, gradual phasing in of information.

7. Summary of some recent Court of Justice of the European Union (CJEU) cases concerning insurance and consumer protection



- **Ocidental – Companhia Portuguesa de Seguros de Vida, SA v. LP (C-263/22, April 2023)**

Must consumers always be given the opportunity to be acquainted with all the terms of the contract (even under the group insurance scheme)?

Yes, consumers must always be afforded the opportunity, before the conclusion of the contract, to become acquainted with all the terms that the latter contract contains.

Can the term “consumer was not acquainted with” may be enforced against consumer by national court?

Where the term in relation limitation/exclusion of cover is found to be unfair by the national court, that court is required to exclude application of that term.

The CJEU is giving a strong indication of consumer protection by saying that requirement of transparency must be interpreted broadly and not simply and grammatically ineligible. The aim is to understand the economic consequences for consumer, timing of information is key and the lex specialis cannot exclude requirement of transparency (from Directive 93/13). The Court also stressed that once a term has been declared unfair and therefore void, the national court must exclude the application of that term.

- **S.R.G v. Profit Credit Bulgaria EOOD (C-714/22, March 2024)**

Do costs of ancillary services such as costs of insurance premiums constitute part of the Annual Percentage Rate of Charge (APCR) for the consumer credit?

Yes, they do, if they give priority to the examination of the credit application, if they are compulsory or the condition to obtain credit, if they are providing the possibility of deferring and reducing monthly instalments.

Does the term relating to costs of ancillary service (insurance) come within the main subject matter and thus is exempt from the assessment of unfairness?

No, it does not fall within the scope of the main subject matter and is not exempt from the assessment of unfairness.

The CJEU is of the view that consumer protection must be extensive and is referring to EU legislature on Consumer Credit and Unfair contract terms regarding definition of “total cost of the credit for consumer” and interpretation of certain exception, that must be interpreted strictly. The CJEU is heavily relying on the established case law.

- **Matmut v TN, MAAF assurances SA, Fonds de garantie des assurances obligatoires de dommages (FGAO) (C-236/23, September 2024)**

Must Articles 3 and 13 of the Directive 2009/103 (= responsibility for each Member State to ensure that civil liability in respect of use of vehicles based on their territory is covered by insurance) be interpreted as precluding/preventing the nullity of an insurance contract against a passenger who is a victim and in case of intentional false statement from the policyholder (as a victim) at the time of the contract?

Yes, the Directive must be interpreted to preclude/prevent national legislation under which it is possible to invoke nullity of the contract towards passenger (victim) who is also policyholder when nullity results from false statement of that same policyholder/victim.

The CJEU states that the aim of the Directive is to ensure that victims of road traffic accidents are well compensated and receive comparable treatment regardless of any contractual clauses that might exclude them from insurance coverage. In the meantime, it reminds that each Member State is free to determine its own compensation arrangements, if this remains in the context and objectives of EU law.