IRSG

INSURANCE AND REINSURANCE STAKEHOLDER GROUP

2025 EIOPA Consumer Trends Process contribution

IRSG-25/12
15 May 2025

European Insurance and Occupational Pensions Authority

Questionnaire to the IRSG to gather input for the EIOPA 2025 Consumer trends process

A. Background

EIOPA is required under its Regulation to collect, analyze and report on consumer trends[1]. The term 'consumer trend' is not defined in EIOPA's Regulation. EIOPA therefore devised the following working definition: "*Evolutions in consumer behavior in the insurance and pensions markets related to the relationship between consumers and undertakings (including intermediaries) that are significant in their impact or novelty*".

The term 'trends' is understood in a broad sense: it covers, for example, evolutions in volumes of business or in the relationship between customers and undertakings/intermediaries, as well as the emergence of new products or services, or other linked financial innovations. The trend may already be consolidated for a number of years, but it may also be only emergent, with the possibility of becoming significant in the future.

The aim of the qualitative and quantitative data collection exercise is to inform EIOPA in the identification, prioritization and development of targeted policy proposals or issues requiring supervisory measures. EIOPA seeks to identify possible consumer protection issues while highlighting the positive developments of the identified trends.

Recently EIOPA has decided to publish the Consumer Trends Report on a biennial basis, while maintaining an annual publication schedule for the Conduct Risk Heatmap. For the development of 2025 Consumer Trends Process, EIOPA follows an agreed upon methodology, which includes collecting inputs from stakeholders. These inputs are crucial not only for developing the Conduct Risk Heatmap, but also for informing EIOPA's planning and prioritization efforts. By gathering feedback from stakeholders, EIOPA aims to ensure that its initiatives are tailored to address the most relevant consumer trends and conduct risks in the insurance and occupational pensions sector.

B. Questions

As in previous years, EIOPA would like to collect informal input from stakeholders to complement the other sources of information available for its 2025 Consumer Trends Process. In addition to relevant information/answers, it would be very useful if supporting documents/links could be provided to complement your contribution. References to specific examples observed at national or European level are also encouraged.

The deadline to provide input is 15 May 2025.

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[1] Article 9(1)(a) of the Regulation 1094/2010 establishing EIOPA

1. Insurance product trends

You are invited to indicate using (+ for increase, - for decrease and = for no particular trend observed) in the column(s) what best reflects the evolution, trends and issues observed for the respective product, during 2024. In the column further to the right please include, in brief, additional explanatory information to highlight any other issues/developments for the relevant product.

	Value for money issues (e.g., due to high costs and/or low returns, low claims ratios, etc.)	Improvements in value for money (e.g., offering of additional services, lowering of costs, etc.)	Issues with bundling and tying practices	Opportunities brought by digitalization, including AI	Risks brought by digitalization, including AI	Nat-Cat protection gap	Issues with claims management	Improvements in claims management	Please highlight any other issues/developments in your market(s) for this product
Life insurance -									**GERMANY (CG):** Following to the annual statistics of German life-insurers (latest publication in Q3 2024 with figures on 2023 and before) the cost ratios of ongoing administration and of distribution for new business are not

with profit	= (FR)	= (FR)	= (FR)					NA (FR)	declining substantially: in 2023 distribution costs amount to about 7,9 bn Euro (4,5% of premiums of new business) and 2,2 bn Euro administrative costs (2,2% of GWP). Website: https://www.gdv.de/gdv/statistik/statistiken-zur-deutschen-versicherungswirtschaft-uebersicht **FRANCE (GP):** ACPR , the French NCA, said they would look into the VfM for capital guaranteed life insurance (please stop to misleadingly use the UK law “with profit” labelling, as unit-linked policies are also with profit sharing; the key distinction being nominal capital guarantee or not/only optional and partial sometimes). Enhancements to the profit sharing in capital guaranteed policies are still often proposed and subject to minimum part of premia being allocated to units.
Y	+ (FR)								**GERMANY (CG):** BdV has evidence on mis-selling cases related to UL-IBIPs offered by special intermediaries selling these products "net of distribution costs" ("Nettopolicen"). But the distribution costs are calculated like commissions and have to be paid fixed by an additional "advice contract". By doing so, these distribution costs have even to be paid in case of early cancellation of the life-insurance contract by the policyholder. **FRANCE (GP):** Since 2023 ACPR and the national trade body France Assureurs have entered into a VfM process on an annual basis. They have not publicly communicated any results yet. But, for the first time, France Assureurs has published global annual data (2022 and 2023 so far: https://www.franceassureurs.fr/wp-content/uploads/assurance-vie-en-uc_2023.pdf on the cost (not including UL contract fees) and performance of Units per asset class and per risk category. And it is the actual last 5 year performances, not the inaccurate and misleading future scenarios of the KID. Another positive development is that there are now two insurers who propose hybrid or UL contracts based only on institutional or free share class units (Allianz and Abeille Vie) but only for contracts subscribed by independent saver associations, not for individual contracts.
Mortgage life insurance									

Other life insurance (please explain below)	= (FR)								**GERMANY (CG):** Index-linked IBIPs are particular products which in contrast to UL-IBIPs do not invest a part of the premium, but only the surplus of the policy into a share index. Profit participation is often limited by caps and high volatility of capital markets. In 2022 and 2023 there were serious reports that only half of all contracts had any profit participation at all. In 2024 the situation improved somewhat, but still the fundamental requirement of "value for money" of these products is strongly endangered. https://www.fondsprofessionell.de/versicherungen/news/headline/indexpolicen-mehr-sonne-in-sicht-233654/ **FRANCE (GP):** According to the VfM figures published by the national trade body (see unit-linked above), we learn that indexed units represent only 3% of total units end of 2023.
Assistance									
Travel insurance									**GERMANY (CG):** The new report of the insurance ombudswoman, published in March 2025, states that many policyholders complained on the non-transparency of the definition of an "unexpected and severe illness" which is exclusively covered by many insurers (in contrast to a sudden aggravation of an already existing illness). This conclusion contrasts with the decision of the Federal Court of Justice (BGH) in October 2022 outlining that the understandability of this definition usually used by the insurers is safeguarded. Website: https://www.versicherungsombudsmann.de/
Income protection insurance									
Gadget insurance									

Business interruption insurance									
PPI			+ (PT)						**PORTUGAL (VP):** Some credit providers provide loans to pay upfront total premiums for a income/payment protection insurance policy. This results in a situation where consumers repay early the underlying credit but are stuck with a second loan for the insurance – excessive indebtedness
Household insurance									**GERMANY (CG):** Strong increase of premiums of home owner insurances due to inflation are one of the ongoing major consumer issues. In contrast to motor insurances for home owners it is not easy and practicable to change the insurer very often, so market competition amongst insurers does not mitigate the increase of premiums.
Natural catastrophe insurance						+ (PT)	+ (PT)		**PORTUGAL (VP):** Nat Cat events happen more frequently. Many consumers face difficulties in acceptance of claims – unexpected and unknown exclusions are mentioned. There's an issue of lack of transparency but also lack of adaptation of policies to the current context of NatCat. **GERMANY (CG):** cf. our remarks below under No. 5.
Legal expenses insurance									
MTPL insurance									**GERMANY (CG):**

									Many cases of delayed reimbursements were reported by policyholders. Undoubtedly there is a direct link between high cost pressure due to claims inflation and stagnating premiums caused by high market competition leading to negative benefit-expense-ratios. Even the NCA BaFin published a statement on this issue in April 2025, stressing that claims have to be answered latest within one month: https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Aufsichtsmitteilung/2025/aufsichtsmitteilung_250411_Leistungsantraege_Versicherungsbranche.html **BULGARIA (DD):** Still big concentration in just one company - provider. It took the place of the former leader by offering lower prices. Their claims history is still good because they have only one or two years of expansion but at a later stage, when picture changes, they might have issues servicing all those accounts.
Other motor insurance									
General liability									
Accident and health insurance									**GERMANY (CG):** In June 2024 the Federal Court of Justice (BGH) decided that the telematics tariffs included in the coverage of "professional disability" by one insurer were not sufficiently transparent and therefore discriminating consumers in a "non-appropriate" way. The telematic tariffs were linked to the use of a fitness trackers by the policyholder aiming at a "health-conscious" behaviour. But in the small print too many risk exclusions and information duties were not fixed in an understandable and precise way. Therefore BdV had taken action against these contract clauses. https://www.bundderversicherten.de/de/suche/2024-06-13-wir-werden-auch-kuenftig-solche-fitness-tarife-kritisch-beobachten-m3042.html
Affirmative cyber									

coverage									
Ancillary and/or cross-sold products									
Annuity products									**GERMANY(CG):** In January 2025 the Higher Regional Court (OLG) of Stuttgart decided against a life-insurer that a clause permitting the unilateral reduction of the annuity rate must not be used anymore. Such a clause allowing for the reduction of the monthly payouts (due to decreasing bonus, interest rates, etc.) shall only be appropriate, if it includes an additional stipulation, under which conditions this possible reduction of the annuity rate shall be cancelled as well, if economic conditions improve. Actions are taken against such clauses included in annuity insurances offered by German life-insurers in several cases. Website: https://www.verbraucherzentrale.de/wissen/geld-versicherungen/altersvorsorge/klagen-gegen-versicherer-wegen-rentenkuerzungen-82207 **FRANCE (GP):** In France, I have no knowledge of such rules or jurisprudence. In the recent past two pension annuity providers reduced the nominal annuity amount. For example COREM in 2022 by 12%, with no mandatory cancellation if economic conditions improve. More generally, pension annuities are less and less used in France since the Pacte Law of 2019 which allows decumulation of most personal pensions in capital, and the fact that annuities do not get really a more favourable tax treatment although they require pension savers to block their saving much longer. **BELGIUM (SC):** Pension annuities for second and third pillar are almost never used as they are severely discriminated taxwise compared to capital withdrawals, which is very penalizing for pension savers.

Other (please explain)									**BELGIUM (GVdL):** Embedded Insurance in Europe (statistics): https://www.insurtechinsights.com/embedded-insurance-in-europe-to-reach-30-of-pc-and-10-of-total-life-markets-over-next-decade/ https://www.datainsightsmarket.com/reports/europe-embedded-insurance-market-19562#summary

2. Insurance: Key Consumer Protection Issues

You are invited to identify and report the most significant Insurance Consumer Protection issues observed in your market during 2024. Please specify, to the extent possible, the line of business, the type of affected product, and provide a brief description of each issue.

Vinay Pranjivan, PORTUGAL, Consumers and Users:

See our answer to the following question. We consider that the most significant Insurance Consumer Protection issues observed in our market during 2024, are the same in 2025 and probably will persist in 2026.

Christian Guelich, GERMANY, Consumers and Users:

In Q3 and Q4 2024 the NCA BaFin published several statements related the issues of value for money in life-insurances and state-subsidized annuities (mainly high "effective costs" and cancellation rates). Cases were reported that some life-insurances had to restitute overly high distribution costs to policyholders.

Case of insolvency of an insurtech: for the first time an insurtech focussed on non-life business lines went into insolvency (first public information around the turn of the year 2024/25, official insolvency in March 2025). There was a strong public debate on necessary information by the NCA and the company itself to policyholders from January 2025 on, and on the financial stability of insurtechs in general strongly dependent on external venture capital and reinsurers.

Claudia Donzelmann, GERMANY, Industry:

Issue #1

Financial literacy – all insurance lines of business, with focus on life insurance

Poor financial literacy can lead to incorrect financial planning and a savings gap, a lack of trust in financial services, and the very damaging psychological issues of a feeling of helplessness in times of financial stress and financial exclusion. One of the benefits of improving financial literacy is that a more financially literate consumer is more likely to buy the right product at the right time for the right need and is more likely to make sufficient financial provision for their future.

Financial literacy is a core life skill for participating in modern society. The consequences of poor financial literacy are especially damaging for vulnerable people, who are most at risk of making poor financial decisions with negative consequences for saving, retirement and financial inclusion. Raising the awareness of basic financial literacy principles (including when to seek support and advice before undertaking important financial decisions) would be expected to improve customers' understanding of financial products with indirect positive benefits on VfM.

The latest OECD/INFE International Survey of Adult Financial Literacy provides evidence that

only 34% of adults reached the minimum target score on financial literacy. This survey concludes that financial literacy levels can be improved to support sound financial decisions in

challenging economic contexts.

Issue #2

Influence of social media platforms on retail investors – all insurance lines of business, with focus on life insurance

Social media platforms can give non-financial players (who are not bound by professional standards and lack the required professional qualification and appear to act in a private capacity) a large stage to influence the investment behaviour of retail investors. Such players often appear to act in a merely private capacity while in fact they are driven by strong economic considerations.

This issue has been addressed by supervisors like the Financial Conduct Authority, who launched a targeted action against finfluencers, who may be touting financial services products illegally, and previously charged individuals with reference to an unauthorised foreign exchange trading scheme promoted on social media.

Desislav Danov, BULGARIA, Consumers and users:

The primary issue is still the lagging introduction of bonus-malus system. Heads of insurance supervision, as a principle come not from the industry and combine dubious qualification with next to non-existing experience in insurance, so they need time to get acquainted with the issue. Combined with their lack/inability to gain enough support for changing the present mixed system, the bonus-malus is constantly postponed and has become sort of a joke, while huge chunk of the consumers continue to pay overpriced MTPL and subsidize the poor drivers.

Guillaume Prache, FRANCE, consumers and users:

With the issues facing French public finance, there is an emerging political temptation and tendency to use long-term and pension savings for funding Government policies instead of unavailable public funding. Since October 2024, all personal pension savers ("PER" holders) who have given a management mandate to their provider (the vast majority of them) are forced to allocate a minimum share of their pension saving to non listed asset units (retail private asset funds), which are more risky and much less liquid than listed ones. For example, for a pension saver who is 20 years or more from retirement, a minimum of 8% of his savings must be allocated to private assets in the default option of the plans.

3. Insurance: Future Consumer Protection Issues

You are invited to contribute to the identification of emerging or persisting key consumer protection issues in the insurance sector for the years 2025 and 2026. Please specify, to the extent possible, the line of business, the type of affected product, and provide a brief description of each issue.

Vinay Pranjivan, PORTUGAL, Consumers and Users:

Emerging or persisting key consumer protection issues in the insurance sector for the years 2024, 2025 and 2026

I. Non-life insurance

- **Household insurance**
- **Natural catastrophe insurance**

Possible compulsory inclusion of other covers, particularly seismic risk, together with fire or multi-risk cover, under a catastrophic risk protection system

The Portuguese legal framework only requires insurance to cover the risk of fire in the house if you live in a condominium. We consider this is not enough since Portugal has a high seismic risk and a high risk of storms and floods.

It is estimated that for very relevant natural disaster risks, such as storms and floods, more than half of the residential real estate stock is not covered, and that penetration is even below 20% in the case of seismic risk.

DECO has long been advocating the creation of a disaster fund in Portugal. It would deal with events of natural origin, likely to generate large-scale human and material losses, based on a legal model of public-private partnership, involving the State and insurers.

In 2010, a draft legislative act was under consultation aimed at creating the basis of a Risk Earthquake Coverage System, consisting of a public fund with autonomous assets, under the supervision of the regulatory body, and integrating insurers and the State. However, there was no follow-up to the consultation..

The creation of a Catastrophic Risk Protection System (not just to protect against seismic risk) has already been provided for in the law since 2021. As far as we know, the preliminary draft, which was to be drawn up by the insurance regulator (ASF), has already been submitted to the Minister of Finance. There is a broad political consensus on this issue, particularly about the creation of a protection system for catastrophic risks.

In the meantime, we believe that the recent occurrence of two earthquakes has put this issue even higher on the agenda: a Resolution was published by the Portuguese Parliament recommending that the government effectively implement seismic prevention and protection measures. The Portuguese Insurance Association (APS) also revealed that, in the days following the earthquakes, there was an increase in demand for seismic risk cover which, however, calmed down afterwards.

So, the creation of a catastrophic risk protection system and consumer protection under this system is a key issue.

II. Non-life insurance

- **Health insurance**

Confusion between Health Plans and Health Insurance.

Health plans are sold using specific terminology to the insurance business, creating a similarity with health insurance, which confuses consumers.

The economic activity of operating and marketing health plans is not regulated by specific legislation, and these products are distributed by entities of different natures and different corporate objects, whether they are related to the health sector, namely insurance companies.

The Insurance and Pension Funds Supervisory Authority (ASF) recently approved Recommendations no. 1/2025, of 8 April, which constitute a set of practices considered appropriate by the regulator regarding the differentiation between health insurance and "health plans". It is clear from these Recommendations that according to the terms of the national legal framework for insurance and reinsurance activities, marketing of 'health plans' without any coverage of risk is now recommended to be withdrawn by insurance companies.

During the public consultation, we warned of the possible impact of the Recommendations on the insurance market and on consumers. In particular the need to protect the rights and interests of consumers that, at this moment, have health plans marketed by insurers, but also the need to protect the rights and interests of policyholders, insured persons or beneficiaries and the normal conditions of the insurance market, in the event of the (prohibited) exercise of the activities of exploitation and marketing of health plans by insurance companies, as considered by the ASF.

In response, the ASF reported that it had been able to ascertain that insurance companies have been marketing some risk-free products (which materially constitute health plans) essentially for an older age segment.

To ensure that these customers are not suddenly left without any protection following the application of the recommendations and given that they can no longer take out insurance contracts with most insurance companies, the ASF considers that it is in the interests of these consumers that the approach of insurance companies is progressive and prudent.

- **Health insurance**

  The ASF has launched a public consultation on a draft circular with standard conditions for health insurance, to be used on a voluntary basis by insurers.

  The aim is to promote the conclusion of adequate insurance contracts to protect consumers and to support transparency in the conditions offered by insurers, as well as accessibility for comparison of cover, premiums and other relevant service conditions.

We support increased supply, information, transparency, comparability, mobility and competition in the health insurance market, towards better standards for consumers.

At the time of writing, ASF has not yet published any recommendations.

III. Non-life insurance

- **Mortgage life insurance**

  In Portugal, the right to be forgotten was introduced by Law no. 75/2021, of 18 November. This law recognised the right to be forgotten for people who have overcome or mitigated situations of aggravated health risk or disability.

  The law recognised this right under the contracting of mortgage loans and consumer credit, and under the contracting of the associated insurances, in a voluntary or compulsory basis.

  However, unfortunately, although the law came into force on 1 January 2022, it is not regulated yet.

  In this context and on its own initiative, DECO has lodged, last September, a complaint with the Ombudsman, in partnership with two associations representing cancer patients and two organisations linked to preventing and combating HIV discrimination, in a view to issuing a Recommendation to the Government for regulation. We are still waiting for a response to the complaint lodged with the Ombudsman.

  The government had said it will issue a regulation by the end of 2025, but, in the meantime, it collapsed and there will be elections in May.

  The ASF has issued sectoral regulation on the right to be forgotten, which will become totally in force in May. According to this regulation, if the consumer benefits from the right to be forgotten, after the deadlines provided for in the Law, he does not have to inform the insurance company that he suffers from a pathology or disability that has been overcome or mitigated. In addition, If the insurance company asks the consumer if he suffers from a pathology or disability that has been overcome or mitigated, he can answer negatively to this question.

  Our concern is with the application and monitoring of the ASF's regulatory rule and the publication of the government regulation, on which depends the application of various aspects of the Law:

- More favourable deadlines for applying the right to be forgotten, access to information on the right to be forgotten through a Standardised Information Form, the enforcement of the law itself, the application (and even existence) of a sanctioning regime.

Christian Guelich, GERMANY, Consumers and Users:

Pensions Reform: The former "traffic light" Federal Government had published in September 2024 legislative proposals for the introduction of an "individual retirement account" allowing for savings in shares and investment funds besides life-insurances and annuities and abolishing the obligatory annuitisation of pay-outs. It is not sure at all, if the new Federal Government from May 2025 on will maintain this fundamental change of private retirement provision strongly defended by the investment industry and consumer protectors, but heavily argued by life-insurers.

Claudia Donzelmann, GERMANY, Industry:

Future issue #1

Influence of social media platforms on retail investors – all insurance lines of business, with focus on life insurance

While already a present issue, we see potential that the negative impact of social media influence on retail investors strongly increases especially with younger generations, if measures aimed at increasing financial literacy are not pursued.

Future issue #2

FIDA risks – all lines of business, including health insurance, life insurance and accident insurance

While a data sharing framework could benefit consumers subject to an adequate design that supports consumers, the scope of FIDA should be significantly reduced and exclude sensitive personal data, like medical data, life insurance data and claims data, as they may contain sensitive personal data, due to the associated risks of sharing.

Desislav Danov, BULGARIA, Consumers and users:

Multiple increased truck traffic due to the Russo-Ukrainian war have turned Bulgaria into a real cross-road. Combined with crumbling and inadequate infrastructure, this leads to increased number of traffic casualties and will put mid-term pressure on insurer's ability to pay.

Guillaume Prache, FRANCE, consumers and users:

Given the French public finance challenges and the very large funding needs of the EU economy, two major risks face IBIPs and IBPPs savers:

- The higher taxation of nominal returns (i.e. could even mean taxing the real losses – losses of the purchasing power of such savings, like it happened in 2021-2023)
- The return to "financial repression" (setting nominal interest rates below the inflation rate) that has lasted seven years in France (2017-2023).

For 2021 to 2023 alone, this policy has destroyed about € 300 billion of middle classes' long term and pension savings real value (purchasing power).

4. Insurance: Key Positive Developments

You are invited to identify and report the most significant Positive Developments in the insurance sector observed in your market during 2024. Please specify, to the extent possible, the line of business, the type of affected product, and provide a brief description of each issue.

Vinay Pranjivan, PORTUGAL, Consumers and Users:

I. **Non-life insurance (11 % growth compared to 2023*), with special emphasis on :**
    - **Health insurance (17,3 % growth compared to 2023*)**
        - **Two Portuguese insurance companies have been authorised to work exclusively in the health sector***

	• **Regulatory initiative on standard conditions for health insurance /Soft law (awaiting publication)** (increased consumer information, the possibility of comparing products and making informed decisions when contracting or changing insurance companies, clear gains for the market in terms of transparency and competition) • **Regulatory initiative on the distinction between insurance contracts and health plans /Soft Law** (strengthening legal certainty and security - clarification that the commercialisation of "health plans" without any coverage of risk is forbidden to insurance companies, under the terms of the national legal framework for insurance and reinsurance activities). The ASF itself, at a hearing in the Portuguese Parliament on 12 February this year, admitted that the insurance sector had some responsibility for the confusion between health plans and health insurance. • **Regulatory initiative on the right to be forgotten /Mandatory** Greater protection for the beneficiaries of the Law, by regulating the operationalisation of the duty for insurers not to collect or process health information relating to situations of aggravated health risk or disability that have been overcome or mitigated by insurance applicants (associated with mortgage loans or consumer credit)**:** - The insurance company is prohibited from collecting or processing health information relating to situations of aggravated health risk or disability from persons who have overcome or mitigated these situations, within the scope of the initial declaration of risk, namely the identification and description of the pathology and therapeutic protocol. - If, as part of the initial declaration of risk, the answer to the questionnaire involves the communication of health information relating to situations of aggravated health risk or disability that have been overcome or mitigated and the insured person has overcome or mitigated these situations, the policyholder or the insured person may answer negatively to these questions. - If, despite the prohibition on the collection of health information relating to the overcoming or mitigation of a situation of aggravated health risk or disability, the insurance company is aware of information relating to this - The insurance company is prohibited from collecting or processing health information relating to situations of aggravated health risk or disability from persons who have overcome or mitigated these situations, within the scope of the initial declaration of risk, namely the identification and description of the pathology and therapeutic protocol.

The regulatory rule also establishes information duties regarding the right to be forgotten regime, and the insurance company must inform the policyholder in writing, in a clear and comprehensible manner, using everyday language, before the contract is signed. This information must also be publicised on their website.

The questionnaire that may be handed out by the insurance company as part of the initial declaration of risk must mention, in prominent characters and larger than the rest, that the policyholder and the insured have the right not to communicate health information relating to the situation of aggravated risk of health or disability that has been overcome or mitigated situation, the insurance company may not use that information.

II. Life insurance business
(37,4 % growth compared to 2023*).

*Overall, as a result of the evolution of the sale of Non-linked insurance Plans, especially retirement savings plans ("PPR", in Portuguese). However, according to the Regulator, the "2023 base" was very low, so this was "a kind of "level replacement".

(*These figures have been collected in a parliamentary hearing attended by the President of the ASF, available at https://canal.parlamento.pt/?cid=8462&title=audicao-da-autoridade-de-supervisao-de-seguros-e-fundos-de-pensoes

Christian Guelich, GERMANY, Consumers and Users:

Sustainability reporting by insurers has improved following to Zielke Research (February 2024):

https://versicherungswirtschaft-heute.de/schlaglicht/2024-02-06/nachhaltigkeitsberichte-axa-fuhrt-das-feld-an-luft-nach-oben-fur-die-allianz/

In the "E" criteria especially the CO_2-emissions had been reduced and fully disclosed in their portfolios ("double materiality"). In the "S" criteria results were partly contradictory: improvements related to inclusion and customer satisfaction, but setbacks related to health management and family / children support. Related to the "G" criteria most companies obtained high scores (asset management, diversification, credit risks, financial stability in general, etc.).

https://www.zielke-rc.eu/veroeffentlichungen/pressemitteilungen

Claudia Donzelmann, GERMANY, Industry:

Positive development #1

Drop of complaints

Massive reduction of customer complaints over the past years (up to 2025 Q1) to only 1 complaint per 100.00 policy contracts with respect to sale advice and sales customer care in the German life insurance business.

Positive development #2

Customer satisfaction based on NPS and VoC

Significant improvement of willingness to recommend life and retail investment life and retail investment products in German market in terms of delta NPS (+13,8 in 03/ 2025, on a 12-month rolling average – March 2025 + previous 11 months), as well as increase of 5-star feedback to 4,74*/5 in Q1 2025.

Desislav Danov, BULGARIA, Consumers and users:

The Green Card debacle seems to approach some sort of end. Bad news is that the MTPL leader of today might not have ability to sustain its progress given the speed of increase (13.5% YoY) https://dallbogg.com/dallbogg-life-and-health-is-the-largest-insurance-company-by-the-end-of-2024/

Guillaume Prache, FRANCE, consumers and users:

IBIPs - As mentioned:

- The emergence of unit-linked insurance only invested in institutional or clean share class units
- The (lasting ?) end of “financial repression” for IBIPs and IBPPs in 2024.
- The increased transparency of units’ costs and performances

5. Insurance: Future Insurance Positive Developments

You are invited to highlight emerging or persisting key positive developments in the insurance sector for the years 2025 and 2026. Please specify, to the extent possible, the line of business, the type of affected product, and provide a brief description of each issue.

Vinay Pranjivan, PORTUGAL, Consumers and Users:

I. **Non-life insurance**

- **Health insurance**
  A possible increase in supply and demand, particularly for contracts that fulfil the standard conditions set out in the circular to be issued by the ASF.
  (More transparency, comparability and competition.)
- **Mortgage life insurance**
  A possible increase in demand (and in the subscription), with the full entry into force of the ASF regulation on the right to be forgotten (and also with the eventual regulation of the Law by the Government).
  Mitigation of discrimination in access to insurance associated with mortgage loans by consumers who have overcome or mitigated aggravated health risks or disability.
- **Seismic risk**
  Increased seismic risk coverage in Portugal, if made compulsory for residential buildings constituted as condominiums under a protection system that may be created (this is likely to be the solution, but unlikely by 2026).
  Reduction of the protection gap, which in Portugal is particularly concerning, as already pointed out by EIOPA - given the high level of vulnerability and exposure, and the very low level of insurance penetration.
  The Resolution of the Council of Ministers No. 112/2021, of August 11, approved the National Strategy for Preventive Civil Protection 2030 (Strategy 2030).
  This Strategy foresees the creation of a Catastrophic Risk Protection System, to make insurance coverage available to citizens for this type of risk. This is expected to be carried out under the coordination of the national regulatory body (ASF), between 2023 and 2027.
  ASF was asked to prepare a draft legal diploma for the creation of a coverage system, but only for the risk of seismic phenomena. In relation to the risks of other natural catastrophes, according to the Order, ASF was only asked to propose the basis for extending the system to cover these risks (which DECO had criticized).

Christian Guelich, GERMANY, Consumers and Users:

NatCat Insurances: following to the coalition treaty for the new Federal Government from May 2025 on there shall be introduced a mandatory insurance against natural catastrophes. Like in some other EU member states, it shall obligatorily linked to home owner insurances. Nevertheless many details are not yet clarified like the inclusion of already existant home owner insurance contracts and necessary prevention measures by policyholders and local or regional authorities.

Claudia Donzelmann, GERMANY, Industry:

Future positive development #1

AI opportunities – all lines of business

In the insurance sector, upcoming AI advancements will lead to enhanced customer benefits:

- **Continuously Enhanced Customer Services**: AI provides 24/7 availability through chatbots and virtual assistants, offering quick, consistent responses and personalized support. These tools efficiently resolve issues and accommodate language and accessibility needs, ensuring comprehensive customer support.
- **Personalized Insurance Products**: AI enables insurers to offer more tailored insurance solutions to understand individual customer needs and preferences. This personalization can lead to more appropriate coverage options and pricing, ensuring customers receive insurance products that best fit their circumstances.
- **Proactive Risk Prevention**: AI driven tools can predict and alert customers about potential risks, such as extreme weather events or health issues. These proactive measures help customers take preventive actions to minimize losses, enhancing their safety and well-being.
- **Enhanced Claims Processing**: AI streamlines the claims process by automating routine tasks and analyzing data efficiently. This leads to faster claims settlements, reduced errors, and providing customers with a smoother and more reliable claims experience.
- **Access to Emerging Risk Coverage**: AI enables insurers to develop products for emerging risks, such as cyber threats or climate related events, which were previously difficult to insure. This provides customers with new protection options for modern challenges.
- **Improved Risk Assessment:** AI's predictive analytics capabilities allow insurers to assess risk with greater accuracy, leading to fairer pricing and better coverage. Customers benefit from

more precise evaluations of their risk profiles, which can result in cost savings and enhanced protection.

- **Fraud Detection and Preventio**n: AI helps identify fraudulent activities by analyzing patterns and inconsistencies in data. This not only protects insurers but also ensures that honest customers are not penalized by increased premiums due to fraud-related losses.

Transparency and human control are core for all AI applications, including a risk-based approach that aims at foreseeing and mitigating risks of AI.

Desislav Danov, BULGARIA, Consumers and users:

Insurers try to catch up with the digitalization trend by offering a number of remote handled services e.g. claims launch for CASCO and MTP although there is much to be asked.

Guillaume Prache, FRANCE, consumers and users:

IBIPs - We are hoping for the disclosure of the results of the VfM process in place since 2023. Also, in June 2025, the newly created Public OPEF (Observatory of financial savings products) will release its first annual report on the costs and performance of financial saving products (including IBIPs).

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