PUBLIC HEARING ON THE REVIEW OF THE INSURANCE DISCLOSURES UNDER ARTICLE 8 OF THE TAXONOMY REGULATION

EIOPA public event
16 July 2026

European Insurance and
Occupational Pensions Authority

PROGRAMME

Time	Topic	Speaker
09h00 – 09h15	**Welcome & Introduction**	Patrick Hoedjes, EIOPA Head of Policy and Supervisory Convergence Department
09h15 – 10h15	**Session 1 – EIOPA proposals to review of current insurance requirements: Underwriting KPI, Combined KPI and other simplifications**	Ursula Bordas, EIOPA Senior Sustainability Expert Sergio Delgado Cuello, EIOPA Sustainability Expert Alessandro Molinari, EIOPA Consumer Protection Expert
10h15 – 10h30	***Coffee break***	
10h30 – 11h30	***Session 2 – Green Insured Activities KPI***	Ursula Bordas, EIOPA Senior Sustainability Expert
11h30 – 12h15	**Session 3 – Horizontal Issues**	Ursula Bordas, EIOPA Senior Sustainability Expert Sergio Delgado Cuello, EIOPA Sustainability Expert
12h15 – 12h30	***Next steps***	Carlos Guiné, EIOPA Head of Sustainability Unit

NOTICE: RECORDING OF THE MEETING

Please note that the meeting **will be recorded** using MS Teams on the basis of Article 29(1)e of Regulation (EU) 1094/2020. The recording will be published on EIOPA's event website for the purpose of implementing EIOPA's mandate and informing the public about its activities.

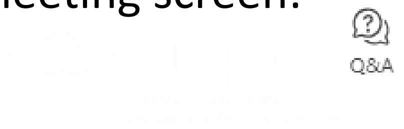
All participants will have the option to submit anonymous questions.

VIRTUAL PARTICIPANTS: MS TEAMS

- Ensure a stable internet connection for the best experience.
- To maintain an optimal experience for all attendees, microphones and cameras will be **disabled for participants.**
- **Rejoin or refresh your session** if you encounter connection problems.
- If you experience any issues with MS Teams, please refer to the **participants' guide** where the last page provides some **MS Teams troubleshooting tips.**

VIRTUAL PARTICIPANTS: MS TEAMS

- Presentations will be followed by dedicated questions and answers session.
- Questions can be submitted in written form using the **Q&A button** in the upper right corner of the MS Teams meeting screen:



- You will have the possibility to upvote questions submitted by other participants.
- Please provide only comments/questions which are inside the scope of the event!
- **<u>The Q&A section will be moderated</u>**. Please note that, due to time constraints, we may not be able to answer all questions during the session.

WELCOME

PATRICK HOEDJES

EIOPA HEAD OF POLICY AND SUPERVISORY CONVERGENCE DEPARTMENT

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SESSION 1 – EIOPA PROPOSALS TO REVIEW OF CURRENT INSURANCE REQUIREMENTS: UNDERWRITING KPI, COMBINED KPI AND OTHER SIMPLIFICATIONS

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ANALYSIS OF INSURERS DISCLOSURES

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DATA FINDINGS ON UNDERWRITING DISCLOSURES IN ANNUAL REPORTS

Figure 1 - Average Taxonomy alignment and eligibility

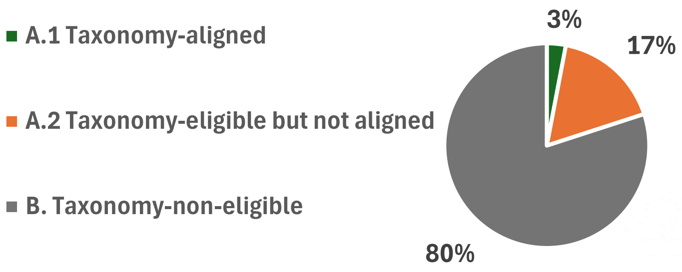
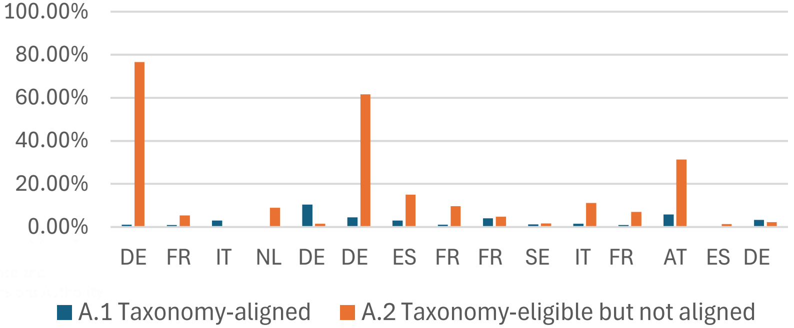


Figure 2 - Alignment & Eligibility per company (country instead of corporate name)



- On average, 3% of insurers non-life business is environmentally sustainable.
- Taxonomy eligibility: the average is inflated by one market with aprox. 70% eligibility; excluding this market, the average falls to **around 10%.** This is related to **divergence in methodological approaches related to inclusion of whole LoB when a product cover NatCAt vs only relevant contracts covering such risks within the 8 eligible LoB, and application or not of split of premiums in numerator**
- Key challenges reported relate to **methodology and data limitations**

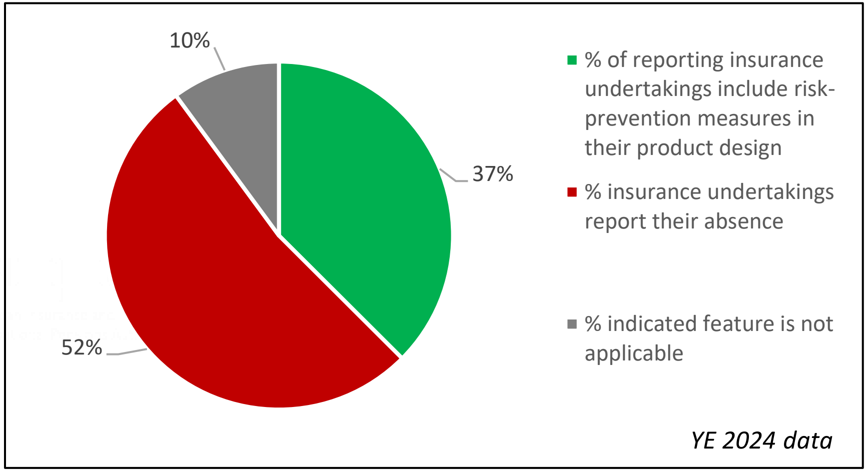
COMBINED INSURANCE KPI (UNDERWRITING + INVESTMENT KPIS)

Only around 15% of insurance undertakings comply with the interpretation of the Commission to issue a weighted average of the two KPIs

Remaining insurance undertakings do not disclose it, arguing that such a ratio is not meaningful as it would be a combination of assets and liabilities.

SOLVENCY II REPORTED DATA ON NATURAL CATASTROPHES (NATCAT)

- For Fire and Damage to Property line of business, insurance undertakings report under Solvency II on GWP related to Natural Catastrophes and preventive measures
- Across three reporting periods (2023, 2024, 2025), the majority of underwriting entities operating in NatCat insurance within the Fire and Damage to Property line have not embedded risk-prevention measures.



PROPOSED CHANGES

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QUICK FIX OF UNDERWRITING KPI

Increase disclosure accuracy

- By renaming it to **Adaptation Underwriting KPI**

Alignment Ratio

- **Numerator: Maintain the current "split of premium" approach**
- **Denominator:** 8 eligible LoB (those that cover NatCat, defined in the Climate Delegated Act). **This would lead to an increase of the reported Taxonomy-alignment**

Eligibility Ratio

- **Numerator:** require **split of premiums** and inclusion only of **NatCat contracts** within 8 eligible Lines of Business
- **Denominator**: same as for alignment ratio = 8 eligible LoB

EIOPA DRAFT PROPOSALS – COMBINED KPI

- **Removal of combined KPI** (weighted average of underwriting and investments) because the combination mixes assets with underwriting
- Instead, EIOPA proposes reporting of the two KPIs separately
- For composites when one single KPI is needed (SFDR, investment KPI, group reporting etc), insurance undertaking to report the **KPI representing the main activity in terms of revenue** of the insurance undertaking (investment or underwriting)

GAS AND NUCLEAR DISCLOSURES

Proposed changes

- Removal of gas and nuclear break-downs

Eliminate the requirement for (re)insurers to provide a ***detailed identification of fossil gas and nuclear energy activities*** *in both investment and underwriting reporting templates*

Rationale

- Non-Applicability (Underwriting)

The Technical Screening Criteria for (re)insurance activities ***do not apply to gas and nuclear sectors.***

- Immateriality (Investments)

Exposures to these sectors are typically not material for insurers. This removal aligns with the ***materiality approach*** *(10% threshold) introduced in the 2026 Omnibus Delegated Act*

Expected Benefits

- Reduced administrative burden

Streamlines the reporting process by ***removing redundant data points.***

EXECUTIVE SUMMARY IN ANNUAL REPORTS

Proposed changes

- Integrated Sustainability Executive Summary

*Introduce a standardized **“dashboard”** at the beginning of the sustainability section in the annual report to house key Taxonomy and ESRS (European Sustainability Reporting Standards) indicators.*

Rationale

- Accessibility issues

*Despite high reporting costs, users currently make limited use of disclosures because key Taxonomy figures are often buried **within lengthy, complex reports**.*

Expected Benefits

- Improved usefulness

*Enhances report **readability and clarity** by focusing only on information key to the decision-making of investors and stakeholders.*

- Increased visibility

*The executive summary ensures **prominence** for critical green metrics, making it easier for users to find and compare an insurer’s sustainability performance.*

COFFEE BREAK – STARTING AT 10:30

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SESSION 2 – GREEN INSURED ACTIVITIES KPI

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GREEN INSURANCE ACTIVITIES (GIA) KPI

- EIOPA explores a **voluntary or long-term** Green Insured Activities (GIA) KPI to measure insurers' **enabling role** for environmentally sustainable activities through underwriting – no a strong recommendation, EIOPA is exploring pros and cons as it is the core element of the COM request
- KPI would include data on Taxonomy-alignment of insured companies and objects
  - Insured **activities and objects of companies** reporting under the Taxonomy Regulation
  - Taxonomy-alignment of **retail property and transport insurance LoB**

GREEN INSURANCE ACTIVITIES (GIA) KPI

- **Benefits:** Alignment conceptually with other financial sectors - the Green Asset Ratio used in the banking sector and Green Investment Ratio for asset managers which follow a look-through approach
- **Limitations:**
  - limited insured activities included reflecting reduced reporting companies under Taxonomy and limited comparability across insurance undertakings
  - Data on policy-holders would need to be collected and proceeded via advisors/brokers
- **Costs:** Significant operational burden and adding data collection costs for assessing counterparty/asset alignment

METHODOLOGY FOR GIA KPI

- **Two sub-components, reflecting respectively commercial and retail business:**
  - Commercial sub-KPI could be measured based on Turnover (CapEx as additional) and cover all lines of business

$$\textbf{Commercial GIA KPI} = \left(\frac{Total\ Aligned}{Total\ Eligible}\right)$$

where,

- $Total\ Aligned = \sum(Exposure\ by\ Underwriting\ in\ GWP\ x\ Corporate\ Taxonomy - Alignment\ Ratio)$
- $Total\ Eligible = \sum(Exposure\ by\ Underwriting\ in\ GWP)$

  - Retail sub-KPIs to transport - cover cars, bicycles, planes and heavy trucks - and residential property
- **A total KPI (using Turnover-based commercial)**

$$\textbf{GIA KPI (\%)} = \frac{\text{Environmentally sustainable insured activities (commercial + retail property \& transport, turnover-based)}}{\text{Total eligible GWP}} \times 100$$

SESSION 3 – HORIZONTAL ISSUES

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VOLUNTARY DISCLOSURE OF OPEX FOR INVESTMENT KPI

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CROSS-SECTORAL ISSUES – OPEX

The ESAs assessed the voluntary inclusion of the OpEx KPI in financial undertaking's taxonomy disclosures:

Main concerns identified

- Little value added.
- Higher reporting complexity and costs.

Depending on possible amendments to the OpEx KPI, Financial Undertakings may see merit in reporting this KPI in addition to Turnover and/or CapEx KPIs

Solution explored

Combine the OpEx KPI and CapEx KPI through a weighted-average methodology.

- The **voluntary inclusion of the OpEx KPI may add further complexity** while providing limited added value.
- The **ESAs would need to assess**, based on the feedback from the public consultation, **whether amendments to the OpEx KPI can provide meaningful insights for non-financial undertakings**, thereby becoming of interest of investment, lending or insurance purposes.

GROUP REPORTING

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CURRENT FRAMEWORK

The DDA provides sector-specific KPIs and reporting rules but **does not define a comprehensive framework for groups combining different types of activities:**

- ***Non-financial undertakings***
  - Turnover, CapEx & OpEx KPIs
- ***Credit Institutions***
  - GAR and banking specific KPIs
- ***Insurance Undertakings***
  - Underwriting and Investment KPIs
- ***Asset Managers***
  - Green Investment Ratio

EU Commission proposed approach: consolidated group KPI (i.e., weighted average of the KPIs of the different activities)

The ESAs consider that **aggregating sector-specific KPIs that follow different approaches does not provide meaningful information**

MAIN ISSUES

A **single group weighted-average KPI raises significant challenges**:

- Partial disclosure of subsidiaries (GAR includes insurance subsidiaries using equity method - which can be investment, underwriting or combined KPI)
- Combination of Taxonomy ratios based on different calculation
- Limited interpretability

- **Reporting disaggregated information** of individual groups' subsidiaries **can also be burdensome and costly for many stakeholders**.

Observed practices

- **Insurer-lead groups** primarily disclose only the insurance-related templates
- An exceptional case: **one banking-insurance group** disclosed insurance-related KPIs together with banking-related KPIs such as the Green Asset Ratio (GAR)
- **Banking-led groups** with insurance activities comply with the disaggregation guidance of the COM FAQ, disclosed Insurance Investment KPIs alongside banking-related taxonomy KPIs

PROPOSAL: PARENT TEMPLATES + KPIS FOR MATERIAL SUBSIDIARIES

The ESAs propose the following approach:

1. **The group should disclose the KPI(s) relevant for the type of activity of the parent undertaking**
   - Group parent activity as main by default
   - FiCo Directive to define main activity for financial conglomerates
2. **Additional relevant KPIs should be disclosed by material subsidiaries or groups of subsidiaries - when a material loss of information may occur**

This additional information to be limited to either a **simplified version of the ordinary templates or corresponding headline indicators (i.e. main eligibility and alignment KPIs)** complemented by narrative information on the main Taxonomy activities in which eligibility and alignment was verified.

VIEWS SOUGHT ON ALTERNATIVE OPTION FOR MAIN ACTIVITY DETERMINATION

Alternative option:

Set the main group reporting regime based on the type of undertaking(s) whose business activities are prevalent within the group

For example, if the majority of the group activities are concentrated in the financial undertaking's subsidiaries, the reporting regime will be based on the rules applicable to the prevalent undertakings.

SEPARATE DISCLOSURE FOR SUBSIDIARIES

- **ESAs propose that that the subsidiary disclosures should:**
  - **Be additionally provided where otherwise group-level reporting may result in a material loss of information**
    - ESAs propose to use as **main criterion a materiality threshold (10% cumulative activity)**

      if an activity is above 10%, simplified reporting for the subsidiary should be included in the annual report
    - ESAs propose other non-mutually-exclusive criteria, such as users comparability needs and whether subsidiaries exclusively serve the group's internal needs
  - Not be provided when these are sufficiently integrated within the group reporting at consolidated level.

WHAT KPI TO USE WHEN ONLY ONE IS NEEDED?

- When one single KPI is needed (SFDR, investment KPI, group reporting etc), groups to report the KPI representing the main activity

NEXT STEPS

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FEEDBACK SURVEY: SHARE YOUR VIEW

Please take part in the feedback survey. Your view is important for us.

THANK YOU!

For more information visit:
https://www.eiopa.europa.eu

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