

SUPERVISORY STATEMENT ON THE AUTHORISATION AND ONGOING SUPERVISION OF (RE-)INSURANCE UNDERTAKINGS RELATED TO PRIVATE EQUITY – IMPACT ASSESSMENT

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eiopa

European Insurance and
Occupational Pensions Authority

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1. INTRODUCTION

- 1.1. In accordance with Article 29(2) of the EIOPA Regulation¹, the Authority conducts, where appropriate, an analysis of costs and benefits when issuing Opinions or Supervisory Statements aimed at promoting supervisory convergence. This analysis is carried out in line with EIOPA's Impact Assessment methodology.
- 1.2. The Supervisory Statement sets out supervisory expectations for the authorisation by National Competent Authorities (NCAs) of private equity (PE)-related (re-)insurance undertakings in the context of portfolio transfers, acquisitions of (qualifying) holdings and mergers (ownership changes), as well as for ongoing supervision. This work was conducted in line with EIOPA's Work Programme 2024 (ID No. 3/116) and 2025 (ID No. 3/107).
- 1.3. The impact assessment builds on current supervisory practices shared by a number of NCAs in relation to the authorisation and supervision of acquisitions of PE-related (re-)insurance undertakings². EIOPA considers it necessary to set out common supervisory expectations in light of the increasing trend of acquisitions of insurance undertakings by PE firms across several Member States, including cases involving undertakings with a significant market share. This trend has been accompanied by the emergence of specific supervisory risks, such as more complex ownership and group structures and riskier investment strategies. At the same time, divergent supervisory practices have been observed, which may undermine supervisory convergence and the effective functioning of the single market.
- 1.4. Section 2 sets out the rationale and background for EIOPA's intervention and explains how the use of a supervisory convergence tool generates added value in ensuring a consistent and effective application of Solvency II in the context of PE-related acquisitions. Section 3 subsequently presents policy options A and B, reflecting alternative choices regarding both the type and scope of EIOPA's intervention instrument.
- 1.5. This impact assessment draws on the following sources of evidence:
 - A survey of a sample of 16³ NCAs, whereby information was collected on key data, supervisory experiences and areas of supervisory focus in relation to PE-related acquisitions of insurance undertakings since 2014, complemented by some additional analysis conducted by EIOPA on the asset allocation of PE-related insurance undertakings;

¹ Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC; OJ L 331, 15.12.2010, p. 48–83.

² While PE-related insurance undertakings were identified, no cases involving PE-related reinsurance undertakings were observed in the sample.

³ A survey was carried out amongst NCAs. Belgium, Czechia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Netherlands, Portugal, Spain and Sweden replied to the survey. Nine NCAs reported that in the period 2014-2024 no interest was expressed by PE companies to acquire (re-)insurance undertakings.

- An exchange of information on concrete cases amongst NCAs within EIOPAs Thematic Platform on PE-related insurance undertakings, established in May 2024.

2. PROBLEM DEFINITION AND OBJECTIVES

OBJECTIVES

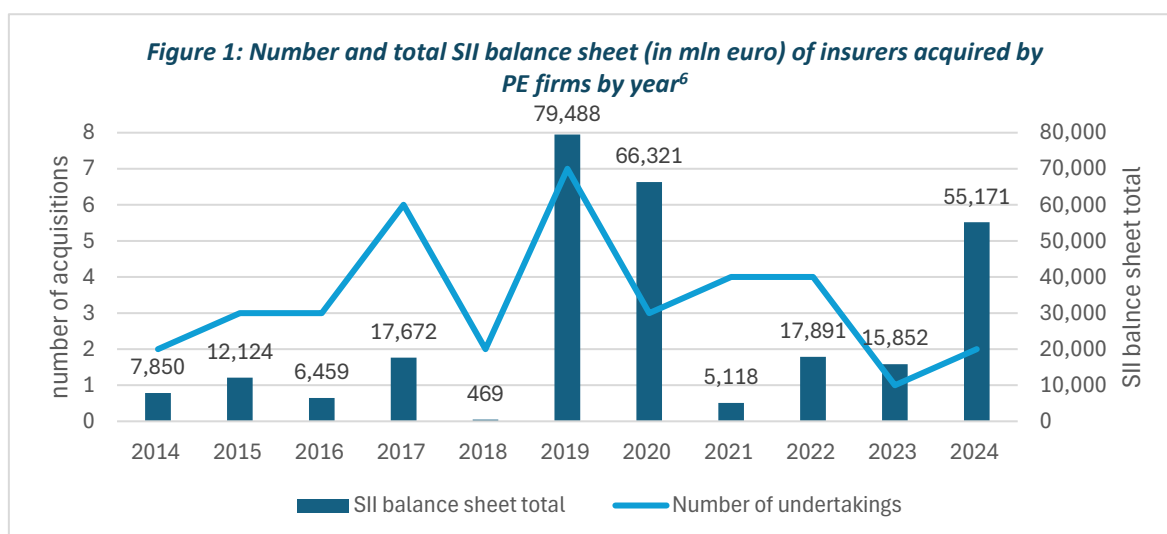
- 2.1. In preparing the Supervisory Statement on the authorisation and ongoing supervision of PE-related (re-)insurance undertakings (hereafter “the Supervisory Statement”), EIOPA’s overarching objective, in line with the Solvency II Directive, is to ensure the adequate protection of policyholders and beneficiaries and to contribute to a stable, resilient and sound insurance sector.
- 2.2. The provisions of the Supervisory Statement are further guided by EIOPA’s statutory objectives, as set out in the EIOPA Regulation, namely to:
- ensure effective and efficient supervision of insurance and reinsurance undertakings and groups;
 - enhance supervisory convergence across the internal market by ensuring a level playing field, setting clear supervisory expectations, preventing regulatory arbitrage and promoting equal conditions of competition; and
 - strengthen consumer protection.

IMPORTANCE OF THE DEPLOYMENT OF A SUPERVISORY CONVERGENCE INSTRUMENT

- 2.3. PE firms have grown rapidly since the global financial crisis, especially in the United States. Assets under management (AuM) of PE firms have almost tripled between 2016 and 2022, reaching close to USD 12 trillion by mid-2022. US-based firms account for approximately half of all PE firms globally and more than 70% of global AuM, with seven of the ten largest global PE firms headquartered in the United States⁴.
- 2.4. Over the past decade, PE entities have also demonstrated a growing and sustained interest in acquiring insurance undertakings in Europe, either partially or, more frequently, through full acquisitions. This trend was initially driven by the low-interest-rate environment, which reduced financing costs and supported acquisitions, including insurance undertakings with run-off portfolios⁵. While interest rates increased from 2022 onwards, PE activity in the EU insurance sector has continued, although the number and size of transactions have varied over time.

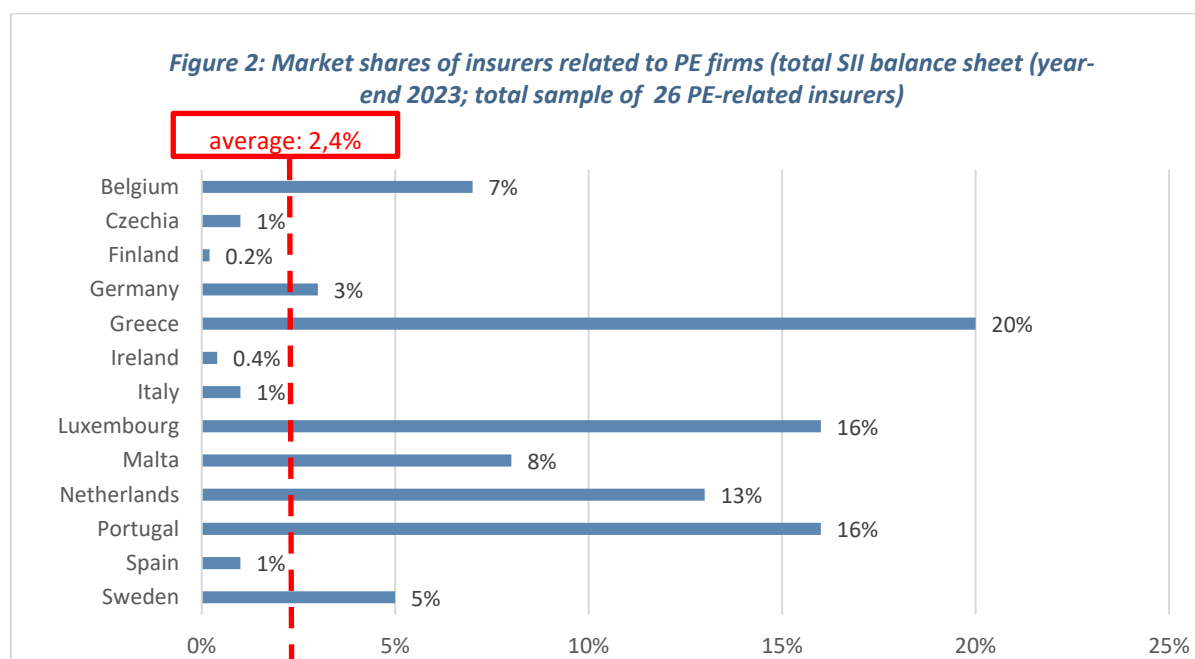
⁴ [Private Equity and Life Insurers](#), IMF, December 2023.

⁵ EIOPA Supervisory Statement on supervision of run-off undertakings.



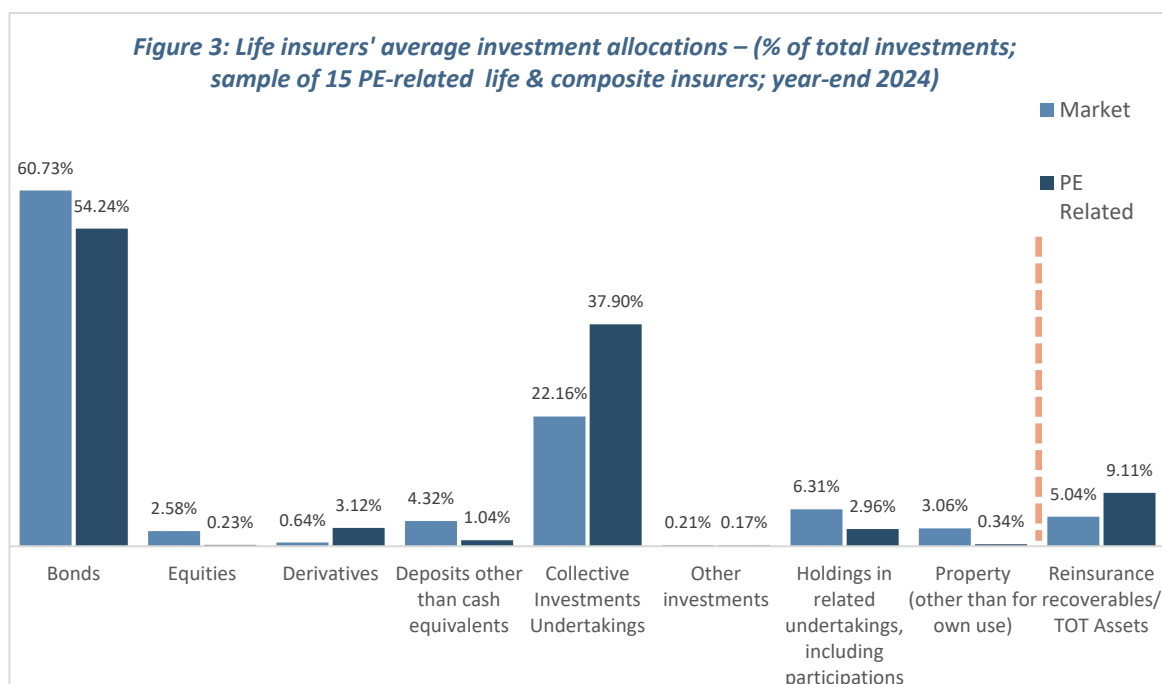
- 2.5. Figure 1, based on data collected from a sample of 16 NCAs, shows that between 2014 and 2024 a total of 37 acquisitions of control of insurance undertakings by PE firms were reported to EIOPA across 14 EU Member States, representing a combined balance sheet total of approximately 270 billion euros (2023 figures). Of these transactions, 11 undertakings were subsequently sold, and in a limited number of cases assets were transferred as part of a liquidation process. As of year-end 2024, 26 PE-related insurance undertakings remained active, comprising 11 life insurers, 11 non-life insurers and four composite insurers. These undertakings were held by around 20 PE firms across 13 Member States and managed assets totalling 260 billion euros (2023 figures). This corresponds to 2.4% of the total assets of the European insurance market. In several Member States, however, the market share of PE-related insurance undertakings is significantly higher, exceeding 15% in certain jurisdictions (i.e. EL, LU, PT) (see *figure 2*)⁶.

⁶ The numbers of acquisitions refer to the years 2014 to 2024, and the balance sheet totals refer to the total assets of the undertaking during the year of acquisition.



- 2.6. While the number of acquisitions of insurance undertakings by PE firms in Europe remains below the levels observed in the United States (see para. 2.3 of the impact assessment), the growing presence of PE-related insurance undertakings in the European market can no longer be considered marginal. This is particularly the case given the material size of several transactions at national level and the steady, ongoing nature of this trend.
- 2.7. When applied to insurance undertakings, the business model of PE firms may generate potential benefits, including more diversified investment strategies, potentially higher investment returns, and easier access to capital and funding arrangements, which may ultimately benefit policyholders. From an operational perspective, efficiency gains and cost optimisation may also contribute to a more profitable and sustainable business model.
- 2.8. At the same time, certain features commonly associated with PE ownership may give rise to supervisory challenges. In particular, complex ownership and group structures used in some acquisitions – characterised by multiple intermediary holding entities, varying legal forms, and the involvement of entities located in third countries – can complicate the assessment of governance, control and risk management arrangements. These challenges are especially acute during the acquisition approval process, which is subject to a deadline of 60 working days under Article 58 of the Solvency II Directive.
- 2.9. Furthermore, the post-acquisition business strategies implemented by PE owners may increase supervisory complexity and require enhanced supervisory scrutiny and resources. This may arise, for example, where PE firms operate with shorter investment horizons, pursue changes in asset allocation towards private credit or other illiquid assets, make material use of reinsurance arrangements with counterparties located in third-country jurisdictions, or engage in other forms of balance sheet optimisation.

2.10. With regard to investment activities, EIOPA observes that the average investment portfolios of PE-related insurers reported through the data-collection exercise differ from overall market averages. In particular, in the life insurance segment, PE-related insurers invest, on average, less in traditional fixed income assets (such as bonds and commercial papers) and more in investment funds (collective investments undertakings) and derivatives (see figure 3).

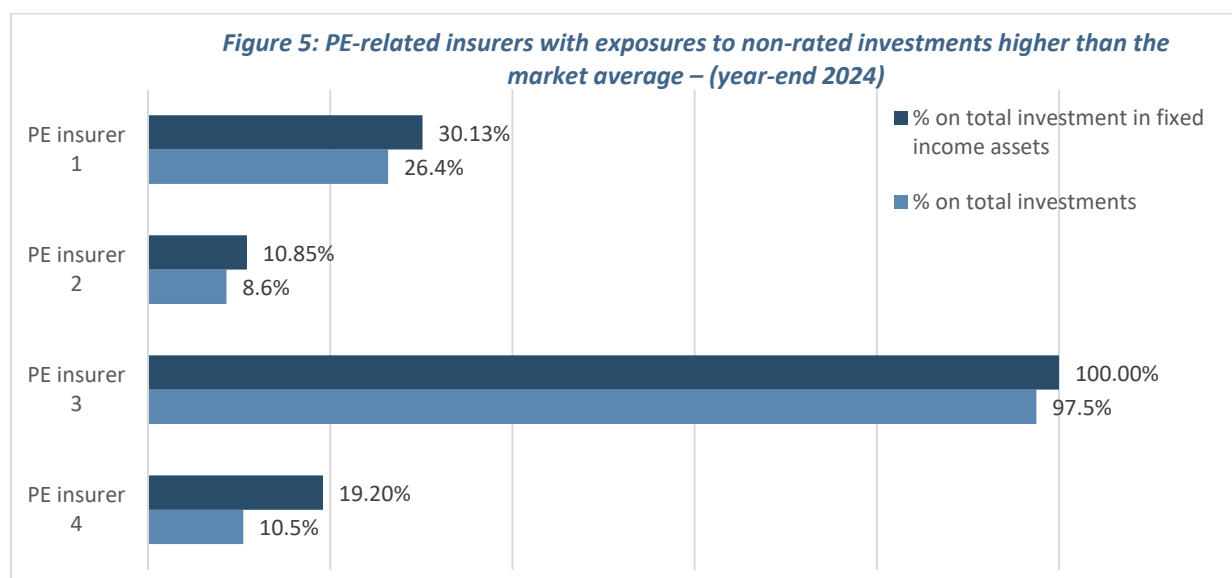


2.11. While overall investments in bonds are lower for PE-related life insurers, the credit quality of their assets⁷ does not significantly differ from the market average. That said, a limited number of outliers exhibit relatively high exposures to non-rated fixed-income assets (see figures 4 and 5).

Figure 4: Credit Quality Steps (CQS is based on numbers ranging from 1 to 6, with 1 being the highest quality) of the assets of life insurers (market average versus PE-related life insurers' average) – (year-end 2024)⁷

LIFE INSURERS CQS DISTRIBUTION	CQS 0	CQS 1	CQS 2	CQS 2a	CQS 3	CQS 3a	CQS 3b	CQS 4	CQS 5	CQS 6	NOT RATED
Average Market	8.68%	16.49%	24.07%	0.01%	19.73%	0.14%	0.07%	1.57%	0.32%	0.09%	28.83%
Average PE-related	12.98%	26.87%	18.53%	0.00%	17.92%	0.00%	0.00%	0.87%	0.17%	0.13%	22.54%

⁷ The percentages are calculated taking into account any asset for which credit quality steps need to be attributed for the purpose of SCR calculation.



2.12. In addition, PE-related life insurers invest, on average, a higher proportion of their assets in CIUs compared to the market average. The higher share of assets valued using alternative valuation methods further suggests that these insurers may be exposed, indirectly through funds, to more complex or illiquid underlying assets (see figure 6).

Figure 6: Assets Valuation Methods - PE vs Market (life) – (year-end 2024)

ASSET VALUATION METHODS - PE VS. MARKET (LIFE)	% valuation method 1	% valuation method 2	% valuation method 3	% valuation method 4	% valuation method 5	% valuation method 6
Average Market	64.15%	6.24%	24.85%	2.19%	0.21%	2.36%
Average PE-related	54.08%	4.74%	38.32%	2.73%	0.00%	0.13%

Valuation Method 1 = quoted market prices in active markets for the same assets/liabilities (Art. 10(2) D.R. 2015/35)

Valuation Method 2 = quoted market prices in active markets for the similar assets/liabilities with adjustment (Art. 10(3) D.R. 2015/35)

Valuation Method 3 = alternative valuation methods (Art. 10(5) D.R. 2015/35)

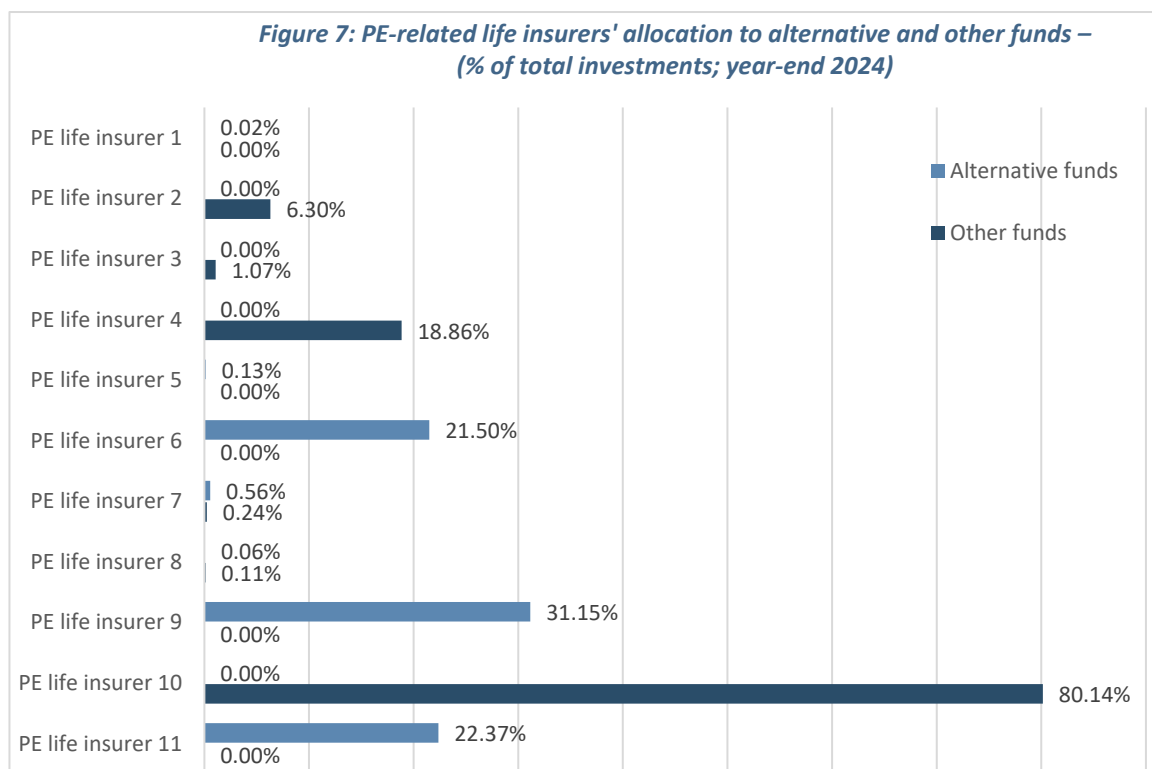
Valuation Method 4 = adjusted equity method (applicable for the valuation of participations)

Valuation Method 5 = IFRS equity method (applicable for the valuation of participations)

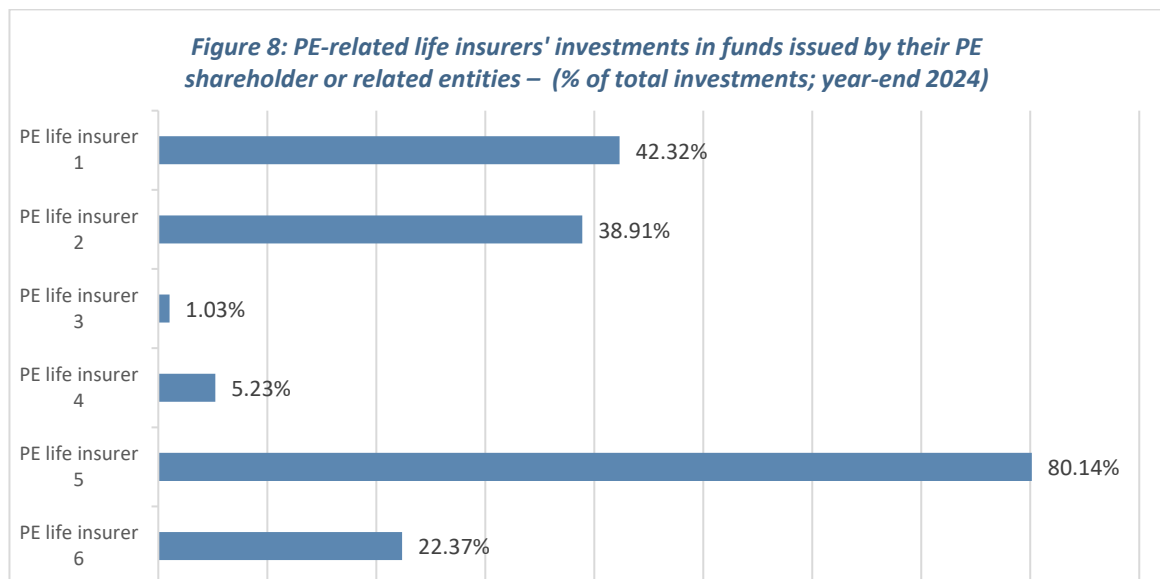
Valuation Method 6 = market valuation according to Article 9(4) of Delegated Regulation (EU) 2015/35

2.13. A more granular breakdown of CIU exposures shows that some of the 11 PE-related life insurers have particularly high exposures to alternative investment funds and funds not

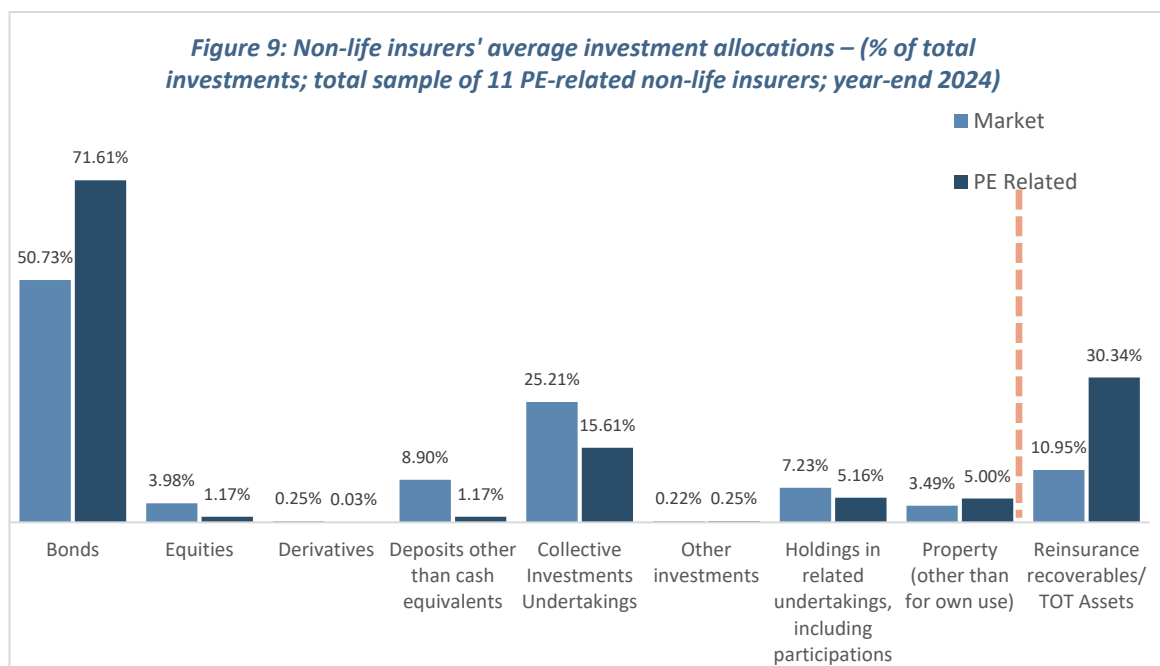
classified under predefined categories in EIOPA’s CIC framework⁸ (labelled as “other funds” in *figure 7*). Moreover, in six cases, a significant share of these fund investments is issued by the same PE shareholder or by other related entities (*figure 8*), raising concerns about potential conflicts of interest.

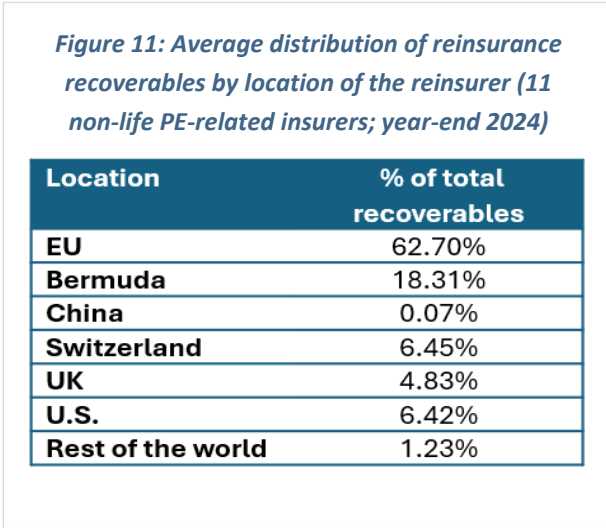
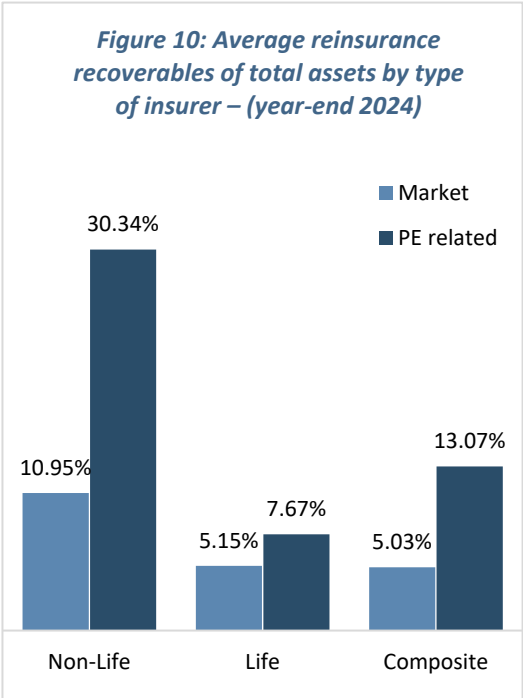


⁸ The Complementary Identification Code is reported in Annex V of Commission Implementing Regulation 2023/894 of 4 April 2023. For the definitions of the CIC table see Annex VI.

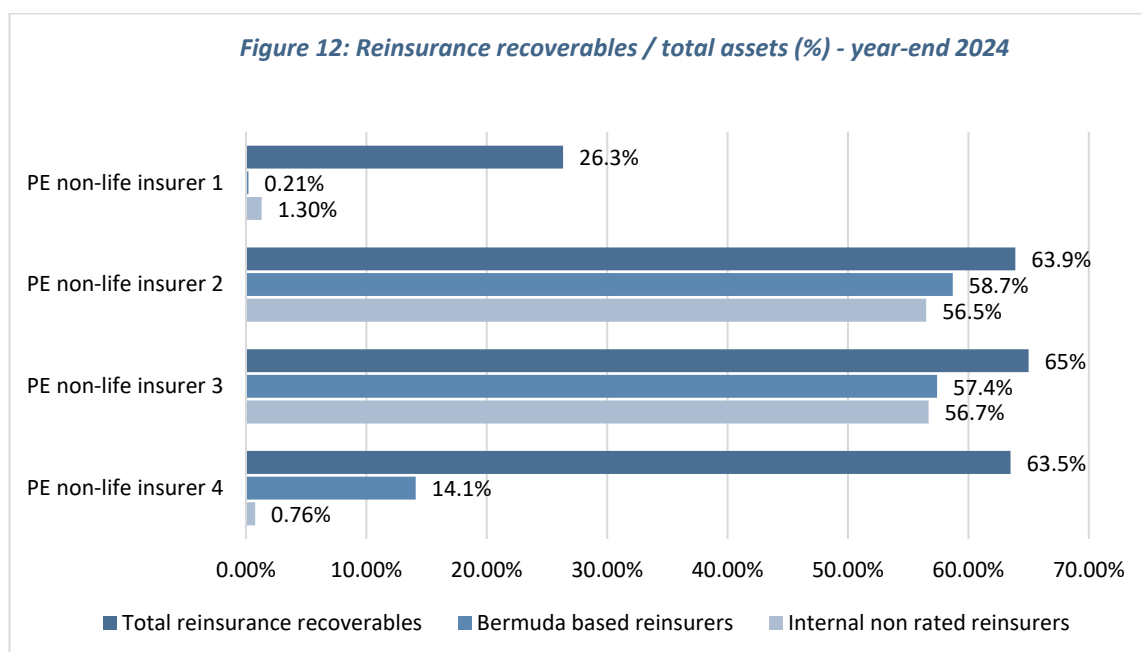


2.14. The investment and risk profile of non-life PE-related insurers differs from that of their life counterparts. Non-life PE related insurers allocate, on average, a larger share of their portfolios to fixed-income assets and a smaller share to investment funds compared to the market average. At the same time, they rely more extensively on outward reinsurance, with average reinsurance recoverables amounting to nearly three times the non-life market average (see figures 9, 10 and 11).





2.15. While most non-life PE-related insurers cede risks to reinsurers based in the EU or in third-country jurisdictions (notably Switzerland, UK and U.S.), four non-life insurers rely heavily on offshore, non-rated intragroup reinsurers to cover a substantial portion of their insurance risks (see figure 12). This may increase counterparty and concentration risks and complicate supervisory oversight.



- 2.16. Overall, the above findings indicate the presence of potential conflicts of interest and increased exposure to illiquid or complex assets, although patterns vary significantly across undertakings.
- 2.17. Based on the current analysis, systemic risk remains limited, given the relatively small number of PE-related insurance undertakings in Europe. However, this assessment is contingent on current market conditions and observed trends and may need to be revisited should the scale or nature of PE involvement in the insurance sector increase. For that reason, close and consistent supervisory monitoring at the individual undertaking level remains essential.
- 2.18. Given that PE firms typically operate across multiple jurisdictions and that many NCAs are therefore involved, the establishment of a common set of supervisory expectations at EU level, rather than the development of separate national guidance by individual NCAs, would be more efficient and supportive of the functioning of the single market.

3. POLICY OPTIONS AND ANALYSIS OF IMPACTS

POLICY ISSUE A: CHOICE OF THE SUPERVISORY CONVERGENCE INSTRUMENT

Policy option A.0: No change

- 3.1. As a benchmark against which the policy options are assessed a “no change (no EIOPA action)” option A.0 is introduced.
- 3.2. This option means that there is no explicit guidance developed nor any cooperation amongst supervisory authorities in relation to the authorisation and supervision of PE related insurance undertakings. This approach increases the risks of misalignment of supervisory practices with evolving best practices and emerging risks, potentially compromising the effectiveness of supervision in addressing new supervisory challenges (see section 2 of the impact assessment). Furthermore, it may fail to ensure a consistent application of Solvency II across the EU, as NCAs might take different measures during the authorisation or ongoing supervision phase to the PE related (re-)insurance companies operating in different Member States. This option is not considered to be a viable option. This hypothetical baseline is only introduced as a benchmark against which the impact of the other policy options can be compared.

Policy options A.1, A.2 and A.3

- 3.3. Options A.1 (internal document), A.2 (publication of EIOPA guidelines), and A.3 (publication of a supervisory statement) are considered to entail costs, but to offer higher benefits. The costs and benefits of the benchmark (option A.0) and the three other options (options A.1, A.2 and A.3) have been further assessed and are presented in the following tables.

The policy issue A	Options
Choice of the supervisory convergence instrument regarding the authorisation and ongoing supervision of PE related (re-) insurance undertakings	0. No change (benchmark) 1. Issue an internal document to be used only by NCAs 2. Publication of EIOPA guidelines 3. Publication of an EIOPA supervisory statement setting supervisory expectations on the authorisation and ongoing supervision of PE related (re-)insurance undertakings

Policy option A.0: No change		
Costs	Policyholders	- Potentially weak policyholder protection
	Industry	- Unpredictable and ad-hoc administrative costs arising from the need to respond to evidence requests from supervisory authorities, especially if supervisors perceive heightened reputational risks, for example following high-profile cases involving PE related (re-) insurance undertakings that have attracted public attention - Different treatment of authorisation requests or during ongoing supervision
	Supervisors	- Challenges for supervisors to effectively authorise and supervise PE related (re-)insurance undertakings with a risk of less efficient processes, as best practices are unknown
	Other	- N/A
Benefits	Policyholders	- No material benefit is expected
	Industry	- No material benefit is expected
	Supervisors	- No material benefit is expected
	Other	- N/A
Policy option A.1: Issue an internal document to be used only by NCAs		
Costs	Policyholders	- No material costs are expected
	Industry	- Unpredictable implications and ad-hoc administrative and compliance costs to fulfil evidence requests from supervisory authorities as there is a lack of transparency about supervisory expectations
	Supervisors	- Costs to train staff and implement the requirements in an internal handbook - Internal-only approach may lack enforcement weight and therefore higher implementation costs to enforce the requirements
	Other	- EIOPA to monitor the implementation of the internal document

Benefits	Policyholders	- Improved and more consistent supervision, enhancing policyholder protection
	Industry	- Lowers the risk of different treatment of authorisation requests or during ongoing supervision across Member States, but does not remove the risk entirely as the internal document is subject to national interpretation and specificities
	Supervisors	- Enhances harmonization of supervisory practices across jurisdictions - Allows NCAs to rely on best practices shared by other NCAs which have already experienced such cases - Allows to have a structured internal process to update the tool following new developments - Offers the possibility of taking into account national specificities
	Other	- Can be updated more quickly than guidelines and/or a supervisory statement
Policy option A.2: Publication of EIOPA guidelines		
Costs	Policyholders	- No material costs are expected
	Industry	- Administrative and compliance costs to fulfil evidence requests and general requirements of supervisors
	Supervisors	- Costs to train staff and implement the requirements in an internal handbook - All supervisors need to complete the comply-or-explain procedure, even though no PE-related cases were identified in half of the Member States over the past ten years, resulting in a potentially excessive use of a supervisory convergence tool - Does not allow to consider national specificities
	Other	- Cannot be updated as flexibly, as updates to guidelines in response to new developments or emerging risks require a significant amount of time - EIOPA to monitor the implementation of the guidelines and publish the results
Benefits	Policyholders	- Improved and more consistent supervision, enhancing policyholder protection
	Industry	- Better predictability and transparency regarding supervisory evidence requests and requirements, reducing administrative and compliance costs - Reduced risk of divergent treatment of authorisation requests or differences arising during ongoing supervision

		- Clearer supervisory expectations, reducing uncertainty for prospective acquirers regarding the material required to proceed with an acquisition
	Supervisors	- Enhanced harmonization of supervisory practices across jurisdictions - Provides stronger enforcement weight - Supervisors can rely on best practices shared by NCAs that have already dealt with such cases - Establishes a structured process for updating the tool in response to new developments
	Other	- N/A
Policy option A.3: Publication of a supervisory statement on EIOPA's expectations on the authorisation and ongoing supervision of PE related (re-)insurance undertakings		
Costs	Policyholders	- No material costs are expected
	Industry	- Administrative and compliance costs to fulfil evidence requests and general requirements of supervisors
	Supervisors	- Costs to train staff, implement the requirements in an internal handbook, and monitor compliance with the Supervisory Statement's expectations
	Other	- EIOPA to monitor the implementation of the Supervisory Statement
Benefits	Policyholders	- Improved and more consistent supervision, enhancing policyholder protection
	Industry	- Better predictability and transparency regarding supervisory evidence requests and requirements, reducing administrative and compliance costs - Reduced risk of divergent treatment of authorisation requests or differences arising during ongoing supervision - Clearer supervisory expectations, reducing uncertainty for prospective acquirers regarding the material required to proceed with an acquisition
	Supervisors	- Enhanced harmonization of supervisory practices across jurisdictions - Provides stronger enforcement weight - Supervisors can rely on best practices shared by NCAs that have already dealt with such cases - Establishes a structured process for updating the tool in response to new developments - National market specificities can be integrated

	Other	- Can be updated more quickly than guidelines
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- 3.4. Under Options A.1, A.2 and A.3 supervisors will incur costs associated with training staff, and implementing the requirements in an internal handbook, as well as monitoring its implementation.
- 3.5. Option A.1 involves creating an internal document, which could be shared through platforms such as the EIOPA PE platform, and additionally discussed in committee and board meetings. Although this approach may lead to improved and more consistent supervision, ultimately enhancing policyholder protection, its internal-only nature may lack enforcement power, especially in the long term, and lacks transparency.
- 3.6. Option A.2, which involves publishing EIOPA guidelines, provides transparency on supervisory expectations and creates a level playing field, reducing the risk of different treatment in the authorisation and ongoing supervision of acquisitions of (re-)insurers by PE firms. However, the compliance costs for supervisors, given the ‘comply or explain procedure’ are high. It seems that this approach is an excessive use of a convergence tool, as the analysis suggests that PE-related insurers are active in only half of the EU Member States.
- 3.7. Option A.3, which involves publishing a Supervisory Statement, is considered the most comprehensive and efficient approach. It provides a formal and consistent framework across the EU, supporting convergence of supervision and transparency to the industry.

POLICY ISSUE B: APPROACH TOWARDS THE SUPERVISORY STATEMENT

Policy options B.1 and B.2

- 3.8. EIOPA considered two possible approaches for the drafting of the Supervisory Statement:

The policy issue B	Options
Approach towards the Supervisory Statement	1. Full-scope approach (option B.1) 2. Targeted-scope approach (option B.2)

- 3.9. In option B.1 (full-scope approach), all potential supervisory matters related to the authorisation and ongoing supervision of PE related (re-)insurance undertakings - from taking on the business till the claims handling - are addressed. This approach ensures that the supervisory authorities can follow the guidance step-by-step, but they might also face considerable costs and operational burdens, which are not justified, as the authorisation and supervision of a PE related (re-)insurance undertakings is in its essence not different from the supervision of any other insurance undertaking.
- 3.10. Option B.2 (targeted-scope approach) focusses on selected key aspects deemed most relevant based on concrete supervisory experiences.

3.11. The costs and benefits of the two options have been assessed, and the outcome of this exercise is included in the following table.

Policy option B.1: Full-scope approach		
Costs	Policyholders	- No material costs are expected
	Industry	- Administrative and compliance costs to fulfil evidence requests and general requirements of supervisors
	Supervisors	- Costs to train staff, implement the requirements in an internal handbook, and monitor compliance with the Supervisory Statement's expectations - Continuous effort to always keep the guidance up to date
	Other	- Adds complexity (for example, by requiring updates when circumstances change) without specifically targeting risks related to PE-related (re-)insurers
Benefits	Policyholders	- Improved and more consistent supervision, enhancing policyholder protection
	Industry	- Better predictability and transparency regarding supervisory evidence requests and requirements, reducing administrative and compliance costs - Reduced risk of divergent treatment of authorisation requests or differences arising during ongoing supervision - Clearer supervisory expectations, reducing uncertainty for prospective acquirers regarding the material required to proceed with an acquisition
	Supervisors	- Enhanced harmonization of supervisory practices across jurisdictions - Supervisors can rely on best practices shared by NCAs that have already dealt with such cases
	Other	- Provides comprehensive guidance to both industry and supervisors in relation to specific acquisitions, including a clear step-by-step process to be followed
Policy option B.2: Targeted-scope approach		
Costs	Policyholders	- No material costs are expected
	Industry	- Administrative and compliance costs to fulfil evidence requests and general requirements of supervisors
	Supervisors	- Costs to train staff, implement the requirements in an internal handbook, and monitor compliance with the Supervisory Statement's expectations

	Other	- N/A
Benefits	Policyholders	- Improved and more consistent supervision, enhancing policyholder protection
	Industry	- Better predictability and transparency regarding supervisory evidence requests and requirements, reducing administrative and compliance costs - Reduced risk of divergent treatment of authorisation requests or differences arising during ongoing supervision - Clearer supervisory expectations, reducing uncertainty for prospective acquirers regarding the material required to proceed with an acquisition
	Supervisors	- Enhanced harmonization of supervisory practices across jurisdictions - Supervisors can rely on best practices shared by NCAs that have already dealt with such cases
	Other	- N/A

3.12. EIOPA decided to choose option B.2 (targeted-scope approach). This decision reflects EIOPA's intention to provide guidance aligned with supervisory needs and emerging industry risks. Highest risks perceived by NCAs are the lack of transparency, short time spans of PE investments, and potential discrepancies between policyholder protection and shareholder interests, which are triggered by enhancements of the balance sheet and the business model change initiated by the PE firm. E.g. operational changes following changing outsourcing arrangements or other forms of cost reduction were not identified by NCAs as key attention points in the context of the PE '*modus operandi*' and are therefore not part of the Supervisory Statement. Also, the aim is to provide clear and consistent guidance to NCAs and prospective buyers, focusing on the relevant topics facilitating a more efficient and transparent authorisation process, as well as supporting effective ongoing supervision. EIOPA focusses in the Supervisory Statement on the following aspects in accordance with option B.2. (*see figure 13*).

Figure 13: Main aspects of the supervisory statement



COMPARISON OF POLICY OPTIONS

3.13. In the assessment of the policy options, efficiency is also considered, with regard to how effectively resources are used to achieve the stated objectives. The results of the effectiveness and efficiency assessments are presented in the tables below.

EFFECTIVENESS (0/+ /++)			
	Objective 1: Effective and efficient supervision of (re)insurance undertakings and groups	Objective 2: enhancing supervisory convergence across the internal market by ensuring a level playing field, setting clear supervisory expectations, preventing regulatory arbitrage and promoting equal conditions of competition	Objective 3: enhancing consumer protection
Policy option A.0 (baseline/no change)	-	-	-

SUPERVISORY STATEMENT ON THE AUTHORISATION AND ONGOING SUPERVISION OF (RE-)INSURANCE
UNDERTAKINGS RELATED TO PRIVATE EQUITY – IMPACT ASSESSMENT

Policy option A.1 (EIOPA internal document)	+	+/-0	+
Policy option A.2 (EIOPA guidelines)	+	+	+
Policy option A.3 (EIOPA Supervisory Statement)	+	+	+
Policy option B.1 (full-scope)	+	+	+
Policy option B.2 (targeted scope)	+	+	+

EFFICIENCY (0/+/-++)			
	Objective 1: Effective and efficient supervision of (re)insurance undertakings and groups	Objective 2: Enhancing supervisory convergence across the internal market by ensuring a level playing field, setting clear supervisory expectations, preventing regulatory arbitrage and promoting equal conditions of competition	Objective 3: Enhancing consumer protection
Policy option A.0 (baseline/no change)	-	-	-

Policy option A.1 (EIOPA internal document)	+	+	+
Policy option A.2 (EIOPA guidelines)	-	-	-
Policy option A.3 (EIOPA Supervisory Statement)	+	+	+
Policy option B.1 (full-scope)	-	-	-
Policy option B.2 (targeted scope)	+	+	+

PREFERRED OPTION

- 3.14. In terms of effectiveness and efficiency, option A.0 (no change) scores negatively on both dimensions. It would not contribute to enhancing consumer protection.
- 3.15. Option A.1 lacks transparency, which diminishes its effectiveness, as it may not sufficiently enhance supervisory convergence. On the other hand, Option A.2, although potentially effective, is not efficient, as it is disproportionate and exceeds what is necessary to address the identified problem. Depending on future market developments, EIOPA does not exclude the possibility of reconsidering the most appropriate supervisory tool to address emerging risks.
- 3.16. Similarly, Option B.1 is considered disproportionate and therefore inefficient, as it goes beyond what is required to address the problem in a targeted manner.
- 3.17. Therefore, the preferred policy option is a combination of a Supervisory Statement (option A.3) and a targeted-scope approach (option B.2), as this combination strikes an appropriate balance between effectiveness and efficiency, while supporting supervisory convergence and consumer protection.

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