

## Discours d'introduction\* – Florence Lustman, présidente de la Fédération Française de l'Assurance (\*Seul le prononcé fait foi)

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Événement ANIA/FFA/GDV “Can Solvency II and Economic Growth be Friends Again?”,  
13 novembre 2020, 14h00

### Discours d'introduction

**Ladies and Gentleman, good afternoon**

As we all see, we are facing very difficult times... We are in the middle of a historical pandemic crisis. A pandemic that has caused the death of more than one million people around the world, and huge economic and social set-backs.

With the urgency of climate change and demographic challenges in Europe, **the current period is putting unprecedented strain on our healthcare systems and our economies.** The new shutdown measures in the context of a second wave increases pressure on both businesses, especially on SMEs, and consumers. This uncertainty adds up to this situation.

**In this context, insurance is more than ever an essential service for our economies and societies.** That's why insurers have been taking - from the very beginning of this crisis - all the measures required to ensure the continuity of their services. They are also committed to implement all actions to support their policyholders during these challenging times, even beyond their contractual obligations as they have done so far. For the French insurance industry, these solidarity measures taken have amounted to...2.4 billion € ! **In France, no one has been as supportive and generous as insurers.**

The first lessons from this crisis have already been drawn and European states, together with insurers and other stakeholders, are now looking at **ways to improve our collective resilience, to better protect our customers and our companies in the future.**

**But today more than ever, we need to think not just about the crisis we are facing, but in the long-term run.** We need to think about recovery, about rebuilding our economies, towards a more digital, Greener and more competitive European Union. **And insurers are already increasingly called to support this economic recovery.** We already started in France with a 2.2 billion € investment program to support SMEs and the tourism and healthcare sectors.

**But more can be done.** As among the largest institutional investors in Europe with over 10 trillion euros of assets under management, European insurers have a significant role to play. Their full implication will be needed to support Europe's ambitious capital markets union as well as to achieve the climate-neutral objective by 2050.

**And this is what makes Solvency II so important.** Solvency II is certainly the most **sophisticated** prudential framework in the world, but it is also the most **conservative**, creating unnecessary costs and barriers, which have a significant impact on insurers ability to make long-term investments in the economy and offer long-term products, already challenged by a negative interest rate environment.

In this regard we welcome the European Commission new action plan on Capital markets union which recognise that we need to: "remove regulatory obstacles for insurance companies to invest long-term".

**This review is an opportunity for us all.**

**An opportunity to address the technical flaws and operational burden of the Solvency II framework** in order to have a more appropriate valuation of liabilities and a better measurement of capital requirements, and ensure a more efficient European insurance market. In doing so, it will allow insurers to better support businesses and provide long term products as we currently need, while still ensuring a high level of consumer protection.

On the contrary, a review that would add complexity and lead to higher capital requirement would not only prevent insurers to fulfil their role of long-term investors to the detriment of a resilient economic recovery, but would also undermine the international competitiveness of the European insurance industry.

I am turning specially to policymakers now, to our panellists. You have now, at a very sensitive and crucial time for Europe the opportunity to make Solvency II and Economic growth friends again.

We are here today, in the first session of our digital event, to discuss the main challenges of EIOPA's advice that will be sent to the European Commission in December. So, this discussion comes at the right time. **We believe that enhancing the role of insurers as long-term investors should be a key objective of this advice**, matching with the challenges that we are facing in Europe, taking into account the implications of this pandemic crisis which will require even greater efforts on the part of insurers.

On behalf of the German, Italian and French insurers, **I would like to thank all the panellists and speakers that we have today, as well as the participants for being with us** on this digital event on an issue as significant as the review of the Solvency II framework.

I am looking forward to the fruitful discussions and **I will leave the floor now to Ms Yon-Courtin**, Vice-Chair of the Committee on Economic and Monetary Affairs.

Thank you very much.