

# Practical experiences with working cross-border

Social economy and its access to the internal market

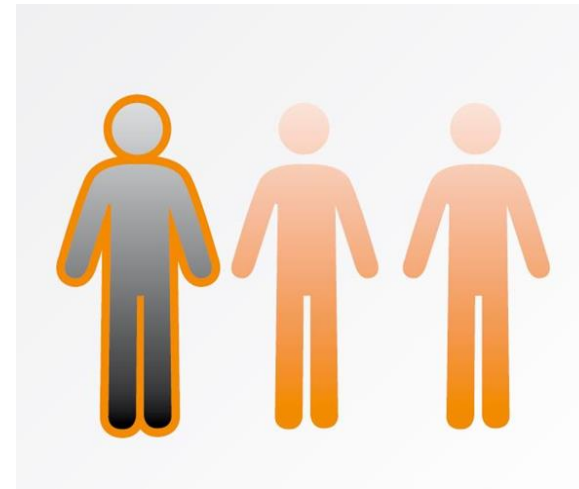
Brussels, 8 March 2018



## The Association of Mutual Insurers and Insurance Cooperatives in Europe



... is the eyes, ears and **voice** of the mutual and cooperative insurance sector in Europe .....

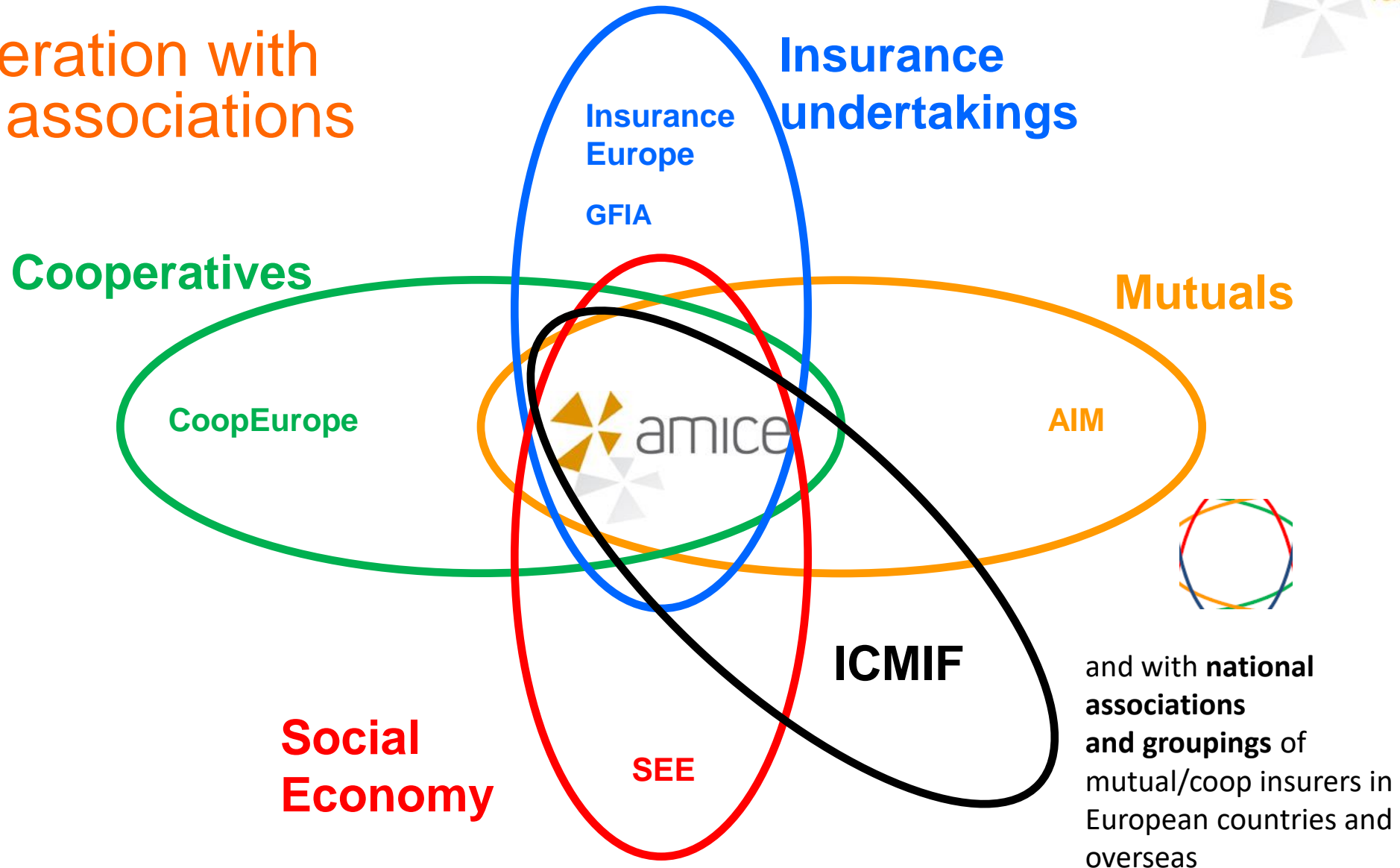


More than one in three Europeans is protected by a mutual or cooperative insurers

## Key stats:

- Insurance mutuals and cooperatives represent about half of all insurance undertakings in Europe;
- The sector has a market share of 32.1% (2014) in the EU
- In more detail, it represents 38.8% non-life (incl. health), 27.4% life insurance
- It provides insurance services to 400 million European members/policyholders;
- It employs around 430,000 people.

Cooperation with  
other associations



# AMICE governance | Why and how



- Mutuality is a widely unknown legal form
- Mutuality often means restricted financing opportunities
- Many mutuals
  - have a regional or even local focus
  - focus on certain professional groups
  - specialise in one or in few business lines
- Many mutual insurers are small or medium-sized and are therefore in a minority position and underrepresented

# AMICE activities | Advocacy



- Solvency II
  - Capital, own funds, tiering, supplementary calls, mutual & cooperative certificates
  - Governance (fit & proper, AMSB)
  - Long-term business (volatilities, valuation, etc)
  - Proportionality issues (reporting and more)
- Regulatory Affairs
  - Client-facing obligations / Conduct of Business
  - Governance, company law
  - Mutual groups, cross-border operations
  - Appropriate legal frameworks

# AMICE activities | Promotion



- Promoting
  - the mutual and cooperative business model and its brand
  - (democratic, member-driven, double bottom line)
  - the pro-sustainability attitude (no short-termism, CSR)
  - the alternative model for financial services, providing an alternative to the public hand, more customer choice, and increased macroeconomic stability
  - the model in additional (new) Member States
  - but also promoting the association as such
- Communicating effectively

# AMICE experience | Working cross-border | Solvency II



- High level aims of Solvency II
  - Uniform and enhanced policyholder protection
  - Financial soundness of insurance undertakings
- Anticipated impact of Solvency II
  - Access to single market opportunities through common maximum harmonisation regulatory infrastructure
- SME treatment under Solvency II
  - Exemption from cross-border activities for small entities (Article 4: max €5m premium income; max €25m assets)
  - Concept of proportionality to reflect the nature, scale and complexity of the entity



# AMICE experience | Working cross-border



- Barriers to success
  - Local approaches, e.g. health systems, social security systems, liability regimes
  - Challenges of scale
  - Inconsistent adoption of Solvency II, e.g. Article 4
  - Variations in approach and adoption of proportionality
- Outcomes to date
  - Cross-border opportunities generally limited to the largest entities through subsidiaries or branch (hub and spoke) models
  - Cross-border mutual insurance activities generally delineated by LOB and culture
  - Cooperation activities in the mutual insurance sector

# AMICE experience | Working cross-border | Case study



- Eurapco
  - Alliance of independent European financial services entities, predominantly insurance
  - Eight partners operating in 18 European countries
  - Systematic exchange of skills, knowledge and resources at European level
  - Creation of sustainable value and commercial benefits through networking, skills transfer, management development programmes, joint operations
  - Focus on tackling challenges of innovation, disruption, fight for talent, etc