Practical experiences with working cross-border

Social economy and its access to the internal market
Brussels, 8 March 2018
... 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.
Insurance undertakings and with national associations and groupings of mutual/coop insurers in European countries and overseas.

Cooperation with other associations:
- Cooperatives
- Social Economy
- Mutuals

Involvement with:
- Insurance Europe
- GFIA
- CoopEurope
- AIM
- ICMIF
- SEE
• 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
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
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
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