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EUROPEAN INSURANCE  
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# Overview of responses to PEPP consultation

Insurance and Reinsurance Stakeholder Group meeting  
Frankfurt, 28 October 2015

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- 53 responses, almost 650 pages.
- high level of responses to each of the 21 questions.
- Good cross section of stakeholders responded

- **Broad support** for the initiative and the PEPP.
- Mostly seen as complementary to 1<sup>st</sup> and 2<sup>nd</sup> pillars but also of greater significance for **markets with underdeveloped pensions structures**.
- PEPP should **not take business away** from existing 3<sup>rd</sup> pillar products.
- Some comments that EIOPA/COM should **concentrate** their efforts in the **2<sup>nd</sup> pillar** area.
- PEPP should be **clearly distinguished from occupational pensions**.

- Some **question** whether there is demand for PEPP.
- Several calls for EIOPA to do **further research on the likely demand** for the PEPP.
- Many talk about increased competition, economies of scale, reduced costs and potential for increased cross-border activity.

- Several comments support **as much standardisation as possible** and suggest that **taxation** should be addressed.
- **Decumulation** also mentioned in the context of increased standardisation.

- Criticism from many respondents that the PEPP **does not deal with the decumulation phase.**
- The main argument is that the provider **cannot adequately design the PEPP** for the individual if their **retirement objective is unknown.**
- Support for including a **lifelong annuity as a default decumulation option.**

- **Regulatory arbitrage** mentioned quite often as a concern.
- Strong support for “**same risks, same rules**”.
- Concern that the PEPP proposal would allow providers authorised at a national level that **do not meet the requirements at EU level** to provide the PEPP.
- PEPP should be **provider/distributor neutral**.
- Many respondents identify **existing Directives** such as Solvency II, MiFID, CRD, UCITS as being appropriate authorisation bases for PEPPs, several believe that AIFMD should be included.

- Many comments **supporting strong consumer protection** including more **transparency**, and acknowledging that PEPP meets this.
- On the other hand some responses that it could be weakened, principally through **unaligned investment options** and permitting **sub-standard providers** into the market.
- Some support for **guarantees and biometric risk** covers coming mainly from insurers.
- Broad support for online distribution of the PEPP but many respondents stress a **neutral stance towards all the different channels**.





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# Thank you

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