

(English version)

**Question for written answer E-000794/25
to the Commission**

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(20 February 2025)

Subject: Protecting EU consumers against the backdrop of FWU Life Insurance Lux S.A.'s liquidation

The recent liquidation of FWU Life Insurance Lux S.A., an insurance company based in Luxembourg, affected a large number of Italian savers, who signed life insurance policies through financial intermediaries operating in Italy. An explanatory note from the national supervisory authority, the CAA, clarifies that policyholders (or, possibly, their beneficiaries) will not lose all of their savings as a result of this liquidation. The situation has nevertheless led to concerns regarding consumer protection and supervision of insurance companies operating on a transnational basis in the EU, as well as uncertainty surrounding possible winding-up proceedings that could help consumers when exercising their rights.

In view of the above:

1. What measures will the Commission take to better protect EU consumers affected by the liquidation of insurance companies established in other Member States?
2. Does it plan to review the rules on the supervision of insurance companies operating in more than one Member State in order to ensure more effective and coordinated supervision?
3. How will it increase transparency and inform consumers about the risks involved when taking out insurance policies with companies established in other Member States?

Supporter ⁽¹⁾

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Answer given by Ms Albuquerque on behalf of the European Commission
(24 April 2025)

Effective supervision is essential for protecting EU consumers and fostering trust in the single market.

Under the Solvency II Directive ⁽¹⁾, the authority of the Member State where an insurer has established its head office has primary responsibility for its supervision and the competence to take necessary measures if its financial condition is not sufficiently sound.

The Insurance Recovery and Resolution Directive (IRRDR) ⁽²⁾ and the Solvency II Amending Directive ⁽³⁾ reinforce the regulatory framework, aiming to better protect policyholders and enhance coordination among national authorities.

The IRRDR introduces harmonised recovery and resolution measures to protect policyholders, beneficiaries and claimants, and ensure effective crisis management ⁽⁴⁾.

It also mandates the Commission to issue by January 2027 a report on the potential for minimum common standards for Insurance Guarantee Schemes and, if appropriate, a legislative proposal.

The Solvency II review introduces stronger cooperation and wider information exchange between the home and host Member State supervisors in case of significant cross-border activities ⁽⁵⁾. It also enhances the European Insurance and Occupational Pensions Authority's powers to intervene in complex cross-border cases ⁽⁶⁾.

¹ This question is supported by a Member other than the authors: Stefano Cavedagna (ECR)

⁽¹⁾ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, OJ L 335, 17.12.2009, p. 1-155.

⁽²⁾ Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129, OJ L, 2025/1, 8.1.2025.

⁽³⁾ Directive (EU) 2025/2 of the European Parliament and of the Council of 27 November 2024 amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks and group and cross-border supervision, and amending Directives 2002/87/EC and 2013/34/EU, OJ L, 2025/2, 8.1.2025.

⁽⁴⁾ In particular, it equips national supervisory authorities and national resolution authority with harmonised mandates and tools to intervene when insurers face financial distress.

⁽⁵⁾ In particular, the home supervisory authority must promptly inform the host authority if it detects deteriorating financial conditions in an insurance undertaking under its jurisdiction. Under certain conditions, the host authority may also request a joint on-site inspection with the home authority and, if the latter accepts the request, EIOPA is invited to participate. See new Articles 152aa, 152ab, 152b of the Solvency II Directive.

⁽⁶⁾ Including by means of binding mediation and, under specific conditions, the disclosure of the names of concerned undertakings

Effective and harmonised supervision is also a key objective of the Savings and Investments Union ⁽⁷⁾. In this context, the Commission calls on the European Supervisory Authorities and National Competent Authorities to make full use of existing supervisory convergence tools.

Furthermore, it announced its intention to propose measures to strengthen these tools and enhance their effectiveness ⁽⁸⁾, thereby supporting greater consistency in supervisory practices across the EU.

⁽⁷⁾ https://finance.ec.europa.eu/publications/commission-unveils-savings-and-investments-union-strategy-enhance-financial-opportunities-eu_en
⁽⁸⁾ The proposal is scheduled for the fourth quarter of 2025.