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WORKING DOCUMENT

From: General Secretariat of the Council
To: Financial Services Committee
Financial Services Attachés

Subject: FSC 14 April 2025 - Item 4 - EIOPA's update on consumer protection - EIOPA presentation

As per the revised annotated agenda, the numbering of the agenda items has been updated.

PUBLIC

EIOPA's update on consumer protection

Presenter: [REDACTED]

Date: 14 April 2025

EIOPA-25-248

What are the main risks consumers face in insurance and pensions?

Sources used to inform the report

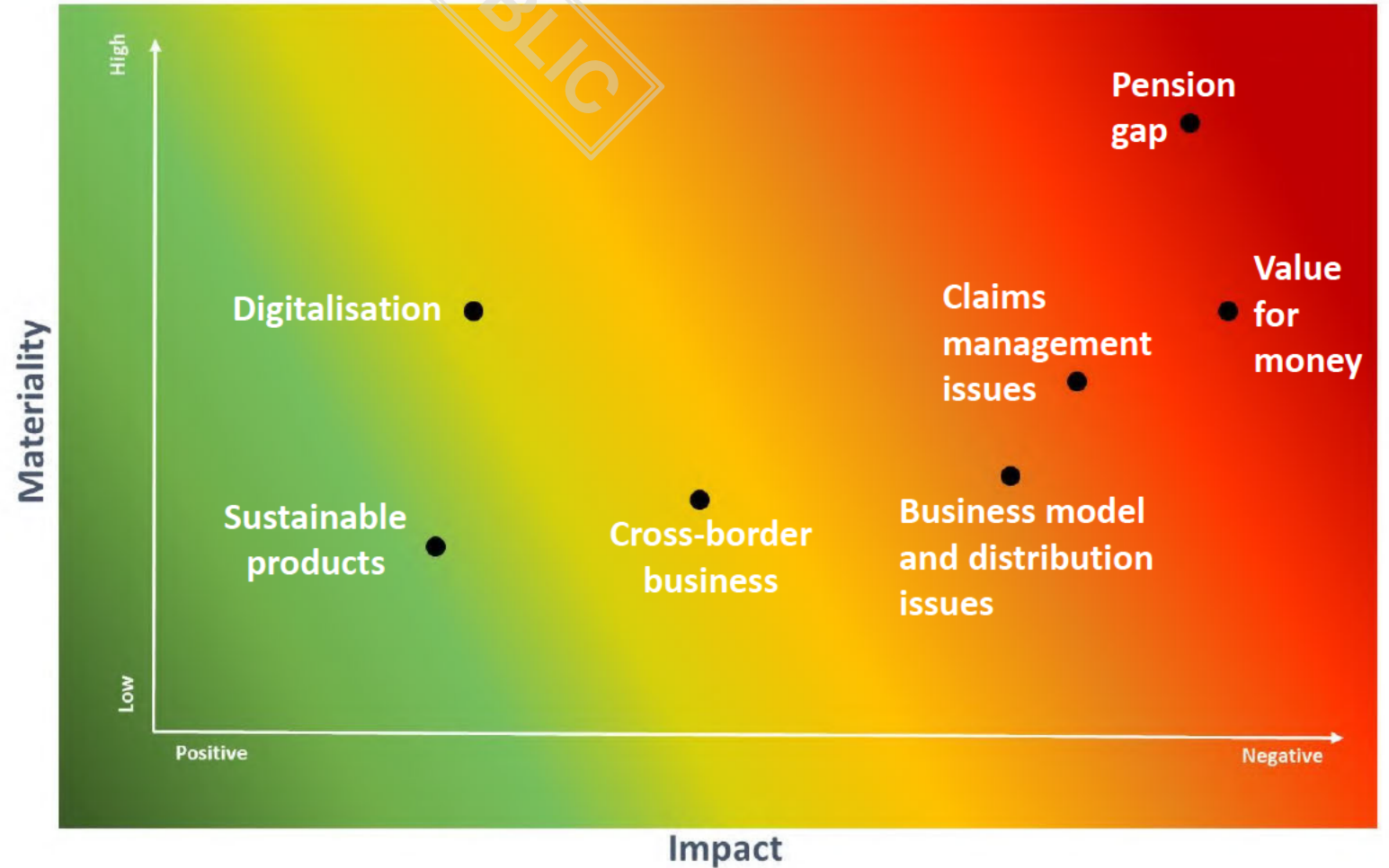
Surveys to National Competent Authorities (NCAs)

Solvency II (insurance) and IORPs (occupational pension) reporting

Eurobarometer Survey (survey to 26,000 EU citizens)

Survey to key stakeholders on insurance and pension

Complaints-related data

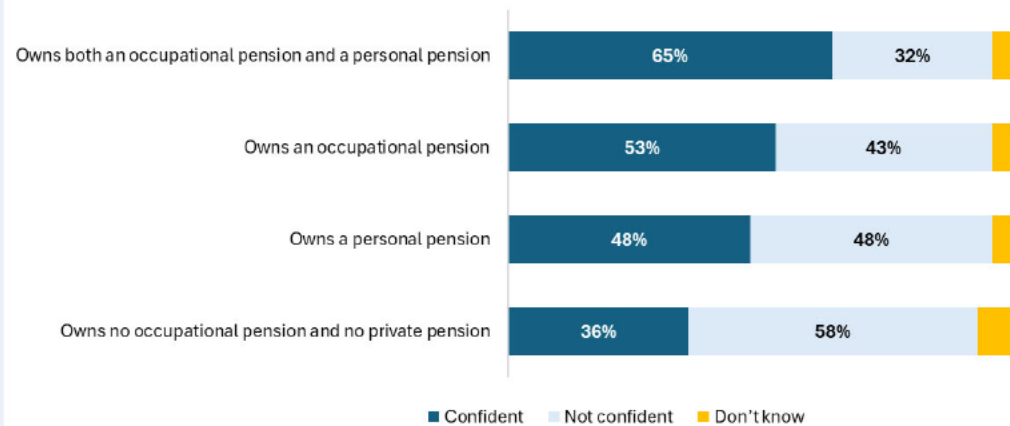


Let's focus on pension gap, value for money...

Pension gap

- Ageing population raises concerns about widening pension gaps
- Only 42% of EU consumers feel financially secure for retirement
- Higher access to pension services correlates with greater financial confidence, but overall uptake remains low
- EIOPA is working to close the pension gap through various initiatives, including via the publication of a paper on a possible PEPP review

EU consumers' confidence in retirement by pension-related investments they own



Value for money

- Life insurance returns and commission rates improved in 2023
- VfM concerns are not widespread, but instances of products offering poor value require supervisory attention
- Instances of value for money concerns in the income protection, miscellaneous financial loss, and legal expenses lines of business
- Consumers consider good coverage (59%), low costs (34%), and good returns (34%) as key indicator of value of their insurance product

Return ratio for the unit-linked line of business – 2022-2023

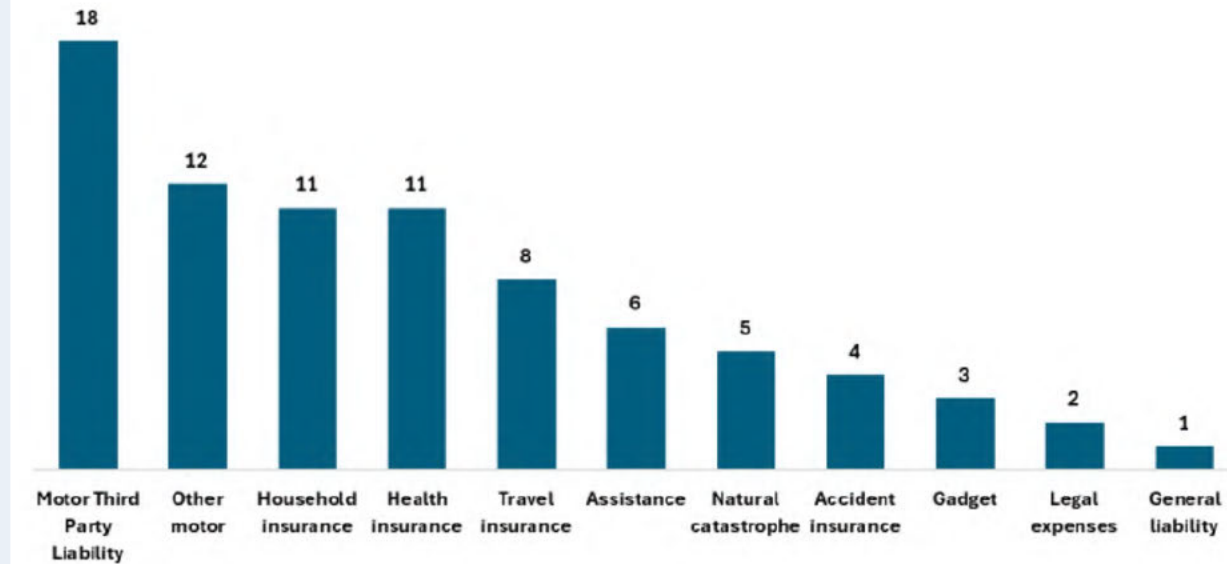


...digitalisation and artificial intelligence.

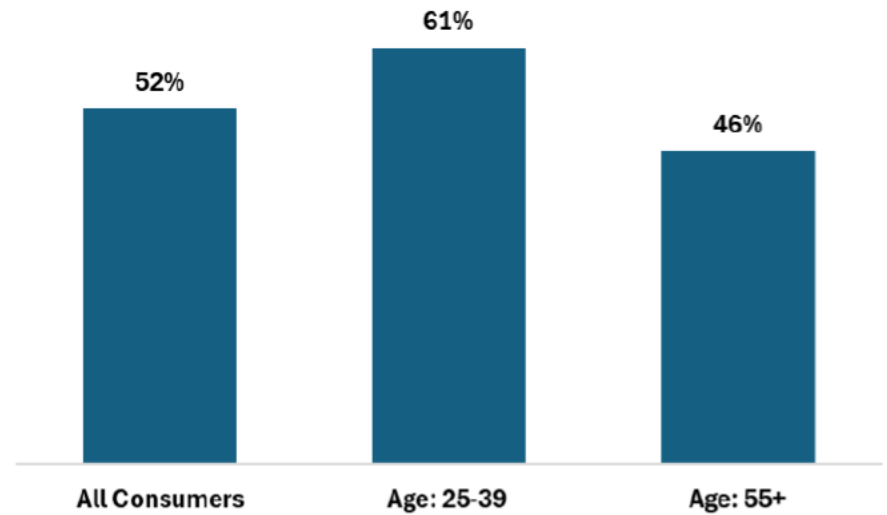
Digitalisation and artificial intelligence

- Digitalisation and artificial intelligence (AI) are reshaping the insurance and pension sectors
- Observed positives: streamlined processes, faster claims management, and improved access to information
- Observed negatives: data privacy concerns, exclusion of certain groups consumers, standardised AI-driven processes leading to unsuitable products

Number of NCAs that saw a higher usage of generative AI in a given line of business



EU Consumers Finding Claims Process Easier & Faster with Online Automation



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THANK YOU!

For more information visit:
<https://www.eiopa.europa.eu>