Brussels, 24 February 2025

Dear Executive Vice-President Séjourné, Commissioner Dombrovskis and Commissioner Albuquerque

Re: European mutual/cooperative insurers position and proposals for Omnibus programme

I am writing to you in my capacity as Secretary General of AMICE (the Association of Mutual Insurers and Insurance Cooperatives in Europe), having consulted with our membership about the Omnibus programme.

Our sector of the insurance community is responsible for one-third of all insurance policies issued in Europe (GWP 2022: €509bn), meaning that more than 500 million insurance customers have decided to use this democratic model in which benefits accrue to the customers themselves, not to external third-party investors. The mutual/cooperative insurance sector ranges from some of the largest pan-European insurers to very specialist and localised risk providers, bringing choice to the consumer and diversity to the marketplace.

Mutual insurers are owned by their policyholders, and establish long-term relationships to better understand the needs and ambitions of their members/policyholders, ultimately to maximise customer benefit. Without the requirement to generate short-term profits for external shareholders, mutual insurers are solely focussed on protecting the interests of their members, thus members' satisfaction and levels of trust are central to the vision and strategy of mutual insurers. A consequence of this commitment to the unique relationship between insurers and policyholders embedded in this model is that our members have a core focus on the long-term relationship and support of their customers. This translates directly into a strong commitment to sustainability, and for many years the mutual/cooperative insurance sector has prioritised sustainable products and activities for the long-term benefit of their policyholders. At the same time, this also means that any costs of business, including compliance and regulatory requirements, are solely borne by the customers, potentially impacting on other benefits which could be afforded separately by the insurance entity.

Finally, it should not be forgotten that Europe's mutual/cooperative insurers are significant institutional investors, responsible for more than €3trn investments in 2022.

From this position, AMICE members have considered and exchanged on the possibility of Omnibus, resulting in the supporting document, which details the collective position, reached by our members across all countries, sizes of entity, and types of business undertaken. Below is a brief summary of the main points agreed by our membership:

AMICE recommendations

- The sustainability agenda is a strategic concern for the insurance industry.

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- The Omnibus initiative should make it easier and more efficient for firms to implement relevant regulation and reporting without compromising the overall sustainability ambition.
- The Omnibus programme is welcomed to align legislation, and streamline and simplify reporting. It should be extended beyond the CSRD, EUT and CSDDD to other areas of legislation which include reporting requirements, including prudential legislation.
- A call for evidence should ascertain the alignment of reporting with actual impact, followed by consultation.
- Reporting should focus on relevant quantitative information.
- Information for customers (policyholders) should be accessible and understandable.
- The current sustainability information as submitted by the current in scope entities should be evaluated.
- Sustainability information should be used to develop good practices to assist entities which come into scope in the future to implement sustainability reporting;
- Unnecessary or duplicated information as identified in a call for evidence should be deleted.
- Entry into force dates should be reviewed in the light of the outcome of the Omnibus initiative and related legislation.

We remain at your disposal to provide any further information on our positions and recommendations.

Yours sincerely

Sarah Goddard
Secretary General
AMICE

Cc:
Didier Millerot, Head of Unit, Sustainable Finance
Sven Gentner, Head of Unit, Corporate Reporting, Audit and Credit Rating Agencies
Tilman Lueder, Head of Unit, Insurance & Pension

OMNIBUS PROPOSALS ON SUSTAINABILITY

AMICE HIGH-LEVEL MESSAGES

GENERAL MESSAGES

- AMICE supports the overall sustainability agenda, its goals and principles. Sustainability risk is a strategic concern for the insurance industry and one we must all help to address effectively. The Omnibus initiative on sustainability should make it easier for firms to implement relevant regulation and reporting without compromising the overall sustainability ambition or the regulation itself.
- AMICE welcomes the initiative to align legislation, such as the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy Regulation and the Corporate Sustainability Due Diligence Directive (CSDDD). However, it is vital that the Omnibus programme extends beyond the three areas of legislation in the first Omnibus wave in order to achieve its high stated aims. In order to improve efficiency and appropriate reduce the reporting burden, data and assessments from one piece of legislation should be used by others, including prudential legislation. In general, sustainability reporting is just one of the areas that contribute to the reporting burden for insurers; the simplification of all relevant areas of reporting needs to be considered as part of the Omnibus process.
- AMICE agrees that the appropriate reduction of the administrative burden will have positive benefits for organisations, therefore ultimately for consumers, competition and financial stability.
- AMICE supports the proposal to streamline the reporting environment, by identifying duplication, by removing irrelevant, inconsistent, overlapping, disproportionate requirements, and by aligning definitions and methodologies embedded in the various sustainability legislation. Simplification is key, while supporting the European sustainability initiatives.
- AMICE requests a call for evidence to ascertain the alignment of reporting with its actual impact. This should be followed by a focused consultation and a reality-check exercise. This will present an opportunity to collect evidence of duplications, asymmetrical administrative burdens and disclosures which are confusing for users. It is important to identify the sustainability information that is actually relevant for impact assessment, and the information that provides consumers and investors with necessary and understandable insights.
- Reporting should only focus on relevant quantitative information. This should apply to the reporting requirements of small and big companies alike. Data points that require extensive qualitative explanations, as for example those that rely on assumptions and estimates, are difficult to compare and should be deprioritised. The ultimate aim of disclosure and reporting requirements should not be restricted to increasing transparency and enhancing accountability, but should also ensure that the information is easily understood and pertinent.
- As the European Commission embarks in a process to reduce the administrative burden by simplifying and changing current legislation, it should be ensured that in the meantime no new requirements are introduced by individual Member States or by European policymakers.

- AMICE asks the European Commission to:
    - evaluate the current sustainability information as submitted by the current in scope entities;
    - use the sustainability information to develop good practices to assist entities which come into scope in the future to implement sustainability reporting;
    - delete unnecessary or duplicated information as identified in a call for evidence; and
    - review related entry into force dates in the light of the outcome of the Omnibus initiative and related legislation.

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ANNEX: PROPOSALS AND SELECTED EXAMPLES OF REPORTING AREAS FOR CONSIDERATION FOR THE APPLICATION OF SIMPLIFICATIONS

This annex includes selected examples of activities currently required by legislation which we believe are unnecessary administrative burden, and could be simplified with no negative impact.

This list is indicative and not exhaustive. We call on the European Commission to issue a call for evidence for submissions which highlight areas where:

- the administrative burden can be achieved in an alternative and more efficient way;
- the burden outweighs the objective;
- there is redundancy.

Overarching proposals

- The scope, thresholds and methodology used in the sustainability legislation or legislation where sustainability is referenced should be aligned. There needs to be alignment with the proposals in the Solvency II amended directive regarding the size of the entity. In particular, the small and non-complex undertakings (SNCU) criteria must be anticipated in the Omnibus to ensure that entities are not required to undertake certain activities under the CSRD from which they will be exempt once the Solvency II amended directive comes into force in 2027.
- It is vital to keep the targets of 25% and 35% reduction in reporting requirements (depending on entity size) as a real and impactful outcome, and not to focus on very small impacts disproportionately.
- The Omnibus initiative should consider both Level 1 and Level 2 changes where appropriate.
- When FAQs are issued, they should be clarifications of the existing framework and not introduce new reporting requirements. The timing is also important, therefore any FAQs issued by the Commission should not be submitted after Q3, to enable timely, consistent and accurate implementation.
- If the Omnibus results in deferral or a change in scope size, the European Commission should ensure there is no 'trickledown' effect.
- The IDD Commission Delegated Regulation (EU) 2021/1257 on integrating the customer's sustainability preferences should be brought into the scope of the Omnibus:
    - Review information provided to consumers, ensuring that terminology and definitions are clear and understandable to consumers and therefore genuinely useful to them.
- Current initiatives under development such as the sustainability-related elements within the Solvency II 2020 Review should be brought into the scope of the Omnibus. Regulatory initiatives under development by ESAs such as EIOPA should be in scope, including for alignment purposes.
- In the Omnibus initiative, the European Commission should ensure that in current legislative processes in development or under review, the principles as set out in the

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Omnibus programme are included. This is relevant for the upcoming review of the Sustainable Finance Disclosure Regulation (SFDR), and the development of the Solvency II regulation, including the RTS and ITS.

- In the case of financial conglomerates, Pillar 3 disclosures for banks should be included where appropriate, to respond symmetrically.

CSRD and ESRS

- **Data points** | The Omnibus initiative should substantially reduce the number and the excessive granularity of data points: The substantial volume of data points required under the ESRS places an excessive burden on companies and causes information overload for stakeholders, generating unnecessary costs and reducing the effectiveness of reporting. Simplifying the reporting requirements is critical to:
  I. reduce the administrative burden on companies;
  II. enhance the clarity and usability of reported information needed by stakeholders (investors); and
  III. improve information/data comparability across organisations.

  In the current ESRSs, a split has already been made between mandatory and voluntary datapoints. The 'shall' datapoints should be re-assessed in order to judge whether the detailed disclosure are really needed for the purpose of the IRO. Examples of this include the need for a detailed table regarding scope 1, scope 2 and scope 3 emissions. If the entity presents a climate transition plan, reference to their (intermediate) targets (progress and deviations) including higher level emissions disclosures should be sufficient. The very detailed information on sector and category should be voluntary.

- In the definition of datapoints, the European Commission should refrain as much as possible from entities being required to aggregate qualitative information up- or downstream of the value chain. The collection of data from the value chain, where appropriate, should be limited to quantitative data.

- A standardised and simplified set of key impact indicators should be required for all companies to ensure accountability and comparability and facilitates the identification of risks and adverse impacts. Focus should be put on key quantitative data points. Data points which require extensive qualitative explanations are difficult to compare and should be deprioritised.

- **Sector-specific standards** | The objective of sector-specific standards should help the sector in implementing the sector agnostic standards and therefore allow for the specific characteristics of the sector.

- They should not increase the disclosure of additional datapoints.

- Sector specific standards should provide the sector with good practices for implementing concepts such as the definition of the value chain and the definition of the double materiality assessment process.

- **International alignment** | In line with European objectives, the sustainability disclosure requirements should be aligned with similar international disclosure frameworks such as the ISSB.

- **Audit requirements** | Sustainability reporting as included in the CSRD is subject to an assessment by external auditors. As many data, methodologies and interpretations are subject to change, assessing the compliance with the legislation should clearly be a 'substance over form' exercise, best directed through guidance from ESMA.
- **Transition plan** | The notion and obligations regarding transition plans should be aligned through CSRD, CSDDD and other initiatives such as Solvency II to avoid uncertainty and duplication of requirements.
- **Value chain** | The CSRD uses the term "value chain" to describe activities and actors beyond a company's own operations, both upstream and downstream. The CSDDD adopts the term "chain of activities" and covers both upstream actors and some downstream actors. Specifically, the CSDDD covers distribution, transport and storage of a product but excludes end-users and product disposal, while the CSRD requires detailed disclosure on social issues relevant to consumers and end-users. While supporting the CSDDD approach for the financial sector aimed at excluding downstream actors and relationships from the implementation of due diligence obligation along the chain of activities, there should be a single definition of "value chain" under CSRD and CSDDD. Such a definition should clearly exclude end-users and include only the activities of the business partners with which the entity has established and significant direct business relationships. Indirect business partners could be included in the definition on an exceptional basis.
- **Measures to reduce the trickledown effect along the value chain** | Simplifying the reporting obligations resulting from ESRS and LSME standard is key to reducing the information requests going into the value chain and avoids that companies not in scope of the CSRD are burdened with administrative requirements. The focus should be on the most necessary data points at the top of the value chain, by stating clearly that companies should not send out information requests under CSRD to SMEs in their value chain.
- **GHG disclosures |** It is not clear that all the detailed information regarding the scope 1, scope 2 and scope 3 is really needed. The table as outlined in the GHG protocol with respect to scope 3 should be a voluntary template.
- **Climate scenarios** | The amending Solvency II Directive 2025/2 requires two climate scenarios while the ESRS on several occasions asks for similar information. Duplication should be eliminated by enabling referencing, ensuring data can be re-used. Make sure than 1.5 degrees and 2 degrees are aligned as the scenarios serve a similar objective.

EU Taxonomy (EUT)

- The principle of proportionality should be introduced into the EUT.
- Taxonomy tables should be simplified in line with materiality. Entities should be allowed to use approximations in completing the tables.
- The minimum social safeguards (MSS) in the Taxonomy Regulation are based on the same framework as CSDDD (OECD guidelines, UN principles including the ILO). In order to reduce the burden for companies, it should be made clear that companies subject to CSDDD are in line with MSS. At the moment this is not clear in the reference in Article 18(2) of the Taxonomy Regulation to SFDR and the definition of "sustainable investment" in Article 2(17).

- For MSS, simplifications could reduce the administrative burden by using a risk-based approach, such as in situations where national legislation ensures meeting with (all) elements of the minimum safeguards, thus eliminating the lead to evidence this in a different forum.
- For financial conglomerates, the lead financial service (e.g. banking, insurance) should be the basis of the templates elaborated with a single KPI of the other sector.

CSDDD

- **Value chain** | As outlined above, there should be a single definition of "value chain" under CSRD and CSDDD. Indirect business partners could be included in the definition on an exceptional basis.

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