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EIOPA Chairperson addresses MFSA Insurance Conference, Highlighting Importance of Solvency II Review in Strengthening Cross-Border Supervision

During the 2025 Insurance Conference organised by the Malta Financial Services Authority, Petra Hielkema, Chairperson of the European Insurance and Occupational Pensions Authority (EIOPA), referred to the Solvency II Directive as the bedrock on which Europe's insurance sector can function and grow. Mentioning the review, she claimed that EIOPA welcomes the revisions to the framework, with many of the amendments enhancing its overall effectiveness, and reflecting well the European regulator's recommendations.

Solvency II is the European legislative framework for insurance and reinsurance companies in the EU. In force since January 2016, it sets out the applicable requirements to ensure the adequate protection of policyholders and beneficiaries on a risk-based approach.

In her keynote speech, Ms Hielkema also addressed the realities of cross-border insurance, emphasising the need for a more harmonised approach across Europe:

"Today, about 11% of the insurance premia written in Europe are from cross-border business. While growth might be slow, the potential is significant. Consumers benefit from greater product choice and better value, while insurers have opportunities to expand their customer base. However, disparities in consumer protection between home and host countries must be addressed to ensure fair and sustainable growth in the sector."

Cross-border operation is when insurers established in one particular European member state operate across the EU, giving consumers more choices and better prices. However, strong regulations are needed to protect customers and keep the market fair.

The MFSA conference featured keynote speeches and panel discussions with distinguished experts, bringing together regulators, industry leaders and academics to discuss the evolving regulatory landscape in the insurance sector. The event focused on the implications of the Solvency II Review Package and the challenges and opportunities presented by cross-border insurance operations.

Opening the conference, MFSA CEO Kenneth Farrugia highlighted the significance of the Solvency II Review and the importance of cross-border insurance business, stating: *"The Solvency II Review is an essential step towards strengthening policyholder protection and ensuring financial stability within the insurance sector. As the industry continues to evolve, cross-border business remains a key area for growth, but it must be underpinned by robust regulation to ensure consumer confidence and market stability."*

The event also featured contributions from experts such as Christopher P. Buttigieg, Chief Officer Supervision at the MFSA, who discussed recent trends in regulation, and Ray Schembri, Head of Insurance and Pensions Supervision at the MFSA, who provided insights into the MFSA's supervisory initiatives.

Throughout the day, panel discussions explored the key aspects of the Solvency II review, the role of proportionality in regulation, and the future of insurance in an increasingly interconnected market. Experts shared best practices and perspectives on how regulatory enhancements can support both consumer protection and industry innovation.

The conference concluded with remarks by Jesmond Gatt, Chairman of the MFSA, who reaffirmed the Authority's commitment to fostering a resilient and dynamic insurance ecosystem.

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Strategic Statement, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.

