

Focus Team Insurance

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EIOPA Supervisory Statement on the supervision of (re-) insurance undertakings related to private equity**1. Introduction**

On 6 October 2026, the European Insurance and Occupational Pensions Authority (“**EIOPA**”) published a Supervisory Statement – the first on this topic – concerning: (i) the authorisation process for acquisitions of qualifying holdings in (re-)insurance undertakings by private equity firms; and (ii) the ongoing supervision of such undertakings (the “**Supervisory Statement**”). In the document, EIOPA sets out its “supervisory expectations” vis-à-vis the national competent authorities which, also in light of the powers conferred on EIOPA, must be considered as non-binding guidance aimed at promoting a consistent and convergent supervisory approach among national competent authorities in the insurance sector ⁽¹⁾.

The publication of the Supervisory Statement follows the public consultation launched by EIOPA on 27 January 2026 and closed on 30 April 2026, in the course of which EIOPA collected and commented on stakeholders’ views on the consultation document (the “**Consultation Paper**”) ⁽²⁾.

Although most of the contents of the Supervisory Statement remains unchanged compared to the Consultation Paper, EIOPA has clarified, for the first time, that its focus is not on private equity structures as such ⁽³⁾, but rather on transactions which, due to their characteristics or structure, are considered problematic. Overall, however, the Supervisory Statement confirms what has already emerged, especially recently, in the practice of national competent authorities: market participants should therefore expect increased scrutiny of acquisitions of qualifying holdings in European insurance undertakings.

⁽¹⁾ The published Supervisory Statement is available at the following [link](#).

⁽²⁾ Available at the following [link](#) are the outcome of the public consultation and EIOPA’s Feedback Statement (“**Feedback Statement**”).

⁽³⁾ The Feedback Statement states, in fact, that “*The Statement should not be interpreted as expressing a preference for any particular ownership model*”, thus confirming that EIOPA does not consider private equity funds to be inherently problematic.

2. Risks identified by EIOPA

While acknowledging that private equity ownership in the insurance sector, when applied properly and fairly, may bring potential benefits in terms of a more diverse investment strategy and easier access to capital, EIOPA stresses that it may at the same time pose potential risks to the system and, ultimately, to policyholders and beneficiaries. In particular, the acquisition of qualifying holdings by private equity funds may entail:

- **Mismatching investment horizons** – the short-term investment horizons of the funds may not always be aligned with the insurance undertakings' long-term obligations to policyholders.

Supervisory authorities should assess how the investment horizon and the proposed business plan align with the insurer's obligations to policyholders. In cases of significant mismatches, supervisory authorities may conclude that the business model is not viable.

- **Complex financing and ownership structures** – acquisitions of qualifying holdings by funds often use significant debt and involve several entities and multiple holding companies, some of which may be located in countries with non-equivalent regulatory regimes, raising evident challenges in terms of supervision and prudential oversight.

In this context, supervisory authorities should assess whether ownership structures allow the sound and prudent management of the targeted (re)insurance undertaking or group and the best possible control of relevant risks.

- **Business model changes** – following an acquisition, PE-backed insurers often increase their allocations to private credit and alternative assets, which tend to be complex, illiquid and difficult to value and are sometimes used to support other businesses within the group, giving rise to concentration risks and conflicts of interest (and, likewise, to concerns regarding the solvency position and the coverage of technical provisions of the acquired undertakings).

Supervisory authorities should assess how the future business model of the undertaking will allow it to comply with the prudential requirements. If areas of significant risk are identified, supervisory authorities should consider measures to mitigate the identified risks.

- **Heavy reliance on reinsurance** – PE-backed undertakings tend to make extensive use of reinsurance, often intragroup or with third-country reinsurers. The resulting reduction in capital requirements is only partially offset by a higher capital requirement for counterparty default risk.

Supervisory authorities should assess the effective risk transfer associated with reinsurance, in particular in the case of reinsurance contracts with high or variable commissions.

- **Governance issues and conflicts of interest** – private equity partners often exercise significant direct or indirect control over the management of their portfolio companies.

Supervisory authorities should therefore ensure that undertakings maintain a sound and effective system of governance, so that management decisions remain independent and are made in the best interests of policyholders and beneficiaries.

3. EIOPA's supervisory expectations

In light of such risks and potential impacts on the insurance sector and policyholders in general, EIOPA recommends the application of specific measures (to be implemented at the national level and adopted by individual Supervisory Authorities) in order to, among other things:

- **understand the acquirer's future business model**, asking to transparently describe the changes it intends to introduce following the authorisation (e.g., by requesting to file a three-year business plan during the authorisation process);
- Verify that the fund's business plan guarantees sufficient and sustainable long-term investments in the undertaking;
- **supervise, as part of ongoing supervision, the potential increase in direct or indirect influence by shareholders or related parties in the management of the undertaking**. In order to prevent potential conflicts of interest, Supervisory Authorities should ensure that the (re)insurance undertaking maintains solid governance and an independent decision-making process with respect to the participating fund;
- **assess, from an operational perspective**, how cost reduction programmes or efficiency strategies (e.g., the use of different IT systems or outsourcing) may affect relevant risks, in light of their impact on governance, operational resilience and policyholder protection.

4. Clarifications provided by EIOPA

Based on the comments received during the public consultation on the Consultation Paper, EIOPA clarified in the Feedback Statement certain aspects that had raised concerns. In particular:

- **Definition of private equity** – the scope of the Supervisory Statement is private equity-related ownership of insurance undertakings. However, it does not refer specifically to PE firms, funds or other alternative investment. EIOPA’s definition is, in fact, broader and describes private equity as “*the acquisition of an equity participation (either wholly or partially) not publicly traded on a stock exchange*”.
- **Scope** – it is underlined that the identified risks may also be applicable to (re-)insurance undertakings that are not related to private equity, as they may also arise in other ownership structures (without, however, providing concrete examples). The purpose of the Supervisory Statement is therefore not to establish a separate prudential framework for PE-owned undertakings or to express a preference for any ownership model. Rather, it aims to promote supervisory convergence in relation to PE-related acquisitions and ownership structures.
- **Changes to the business** – EIOPA clarified that operational “transformation” initiatives or changes to the undertaking’s business plan are not viewed as inherently problematic and that supervisory attention should focus on the adequacy of governance arrangements, operational resilience and risk management capabilities following such changes rather than on the transformation measures themselves.
- **Engagement with supervisory authorities** – EIOPA underlines that early engagement with the relevant supervisory authorities can facilitate a common understanding of supervisory expectations and support an efficient assessment process.

5. Conclusions

For market participants, the Supervisory Statement translates into increased scrutiny of transactions by national competent authorities, both when authorising acquisitions of qualifying holdings and in subsequent on-going supervision. This impact will concern not only private equity funds in the strict sense, but also investors operating through similar structures.

In practice, acquirers will need to be able to demonstrate the long-term sustainability of the business plan and of the exit strategy, the effective management of conflicts of interest (including in intragroup transactions), the independent exercise of responsibilities by the undertaking's governing bodies, the justification of balance sheet enhancements and the effective risk transfer through reinsurance.

In light of EIOPA's guidance, this may therefore result in longer and more complex assessment procedures, additional information requests (e.g. on the ownership chain), the setting of conditions and regular reporting obligations and, in the most significant cases, additional assessments of the solvency position at group level.

That said, interested parties should consider entering into an early dialogue with the supervisory authorities before the submission of formal notification, and assessing how EIOPA's recommendations on business model, governance, prudential aspects and debt structure may affect ongoing and future acquisitions.

In any event, it remains to be seen which concrete measures will be adopted by the individual national competent authorities (including IVASS) to govern, on the one hand, the process of acquisition of qualifying holdings in (re)insurance undertakings by private equity firms and, on the other hand, the ongoing supervision of such undertakings.



Focus Team Insurance

The *Focus Team* is a constellation of expertise across different practice areas with a *focus* on insurance.

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