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EIOPA Seeks Feedback on Its Proposed Methodology for Setting Value for Money Benchmarks for Unit-Linked and Hybrid Insurance Products

The European Insurance and Occupational Pensions Authority (EIOPA) has recently launched a public consultation on its proposed methodology for setting value for money ('VfM') benchmarks for unit-linked and hybrid insurance products. The VfM methodology is meant as a supervisory tool for National Competent Authorities which aims at providing clarity for insurance manufacturers and distributors on the supervisory approaches to address VfM risks, to ensure that they are sufficiently customer-centric and that they take into account VfM considerations.

The [Methodology for the Value for Money benchmarks](#) issued for public consultation, presents how EIOPA aims to develop such reference benchmarks, by taking a gradual approach to ensure they well reflect the characteristics of products sold in different markets across the European Union (EU). Three steps are envisaged:

- Step 1 – Defining the product clusters;
- Step 2 – Defining the indicators around which benchmarks will be developed; and
- Step 3 – Data collection and the benchmarks calibration.

EIOPA's proposal is to be considered independent from the Retail Investment Strategy and is fully entrenched and based on existing Insurance Distribution Directive ('IDD') requirements.

Responding to the Consultation Paper

EIOPA invites comments on the consultation paper on the Consultation paper on Methodology on Value for Money Benchmarks. Comments are most helpful if they:

- respond to the question stated (where applicable);
- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

EIOPA will consider all comments received by **15 March 2024**. Contributions not provided via the EU Survey or after the deadline will not be processed. All contributions should be submitted online by opening this [link](#). Kindly also send your contributions to conduct.policy@mfsa.mt.