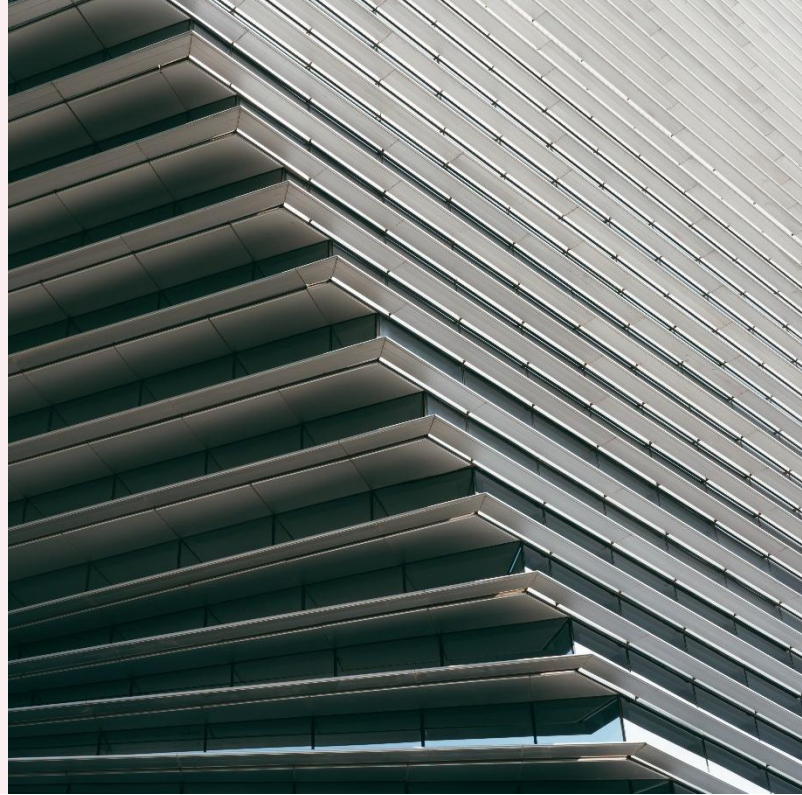


EIOPA's New Supervisory Statement on Private Equity and (Re)Insurance Undertakings

19 October 2026



"Good supervision looks first and foremost at risks, not at who an insurer's owners are. Private equity-backed undertakings are subject to the same risk-based supervisory standards as any other insurer. But where new ownership structures or business models create increased complexity or additional risks, it is our responsibility to ensure those risks are properly supervised."

Petra Hielkema, EIOPA's Chair

Key issues

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Following its [Consultation Paper](#) of 2 February 2026, EIOPA published a [Supervisory Statement](#) on 6 October 2026, setting out common supervisory expectations for EU regulators regarding the authorisation and

ongoing supervision of (re)insurance undertakings related to private equity ("PE") (the "**Statement**").

The Statement is a non-binding supervisory tool addressed to all EU national competent authorities ("**NCA**s"). In practice, however, it will shape how NCAs across the EU scrutinise PE-backed acquisitions of insurers and reinsurers, and it gives PE sponsors, their portfolio insurers and target boards a detailed map of the questions supervisors are likely to ask as a matter of course. This is part of a global trend across the insurance sector as regulators observe and react to the involvement of private equity in the sector across jurisdictions.

This briefing explains what the Statement says, what sits behind it, and what it means in practice for PE acquirers, target (re)insurers and their boards.

EXECUTIVE SUMMARY

- **Substance over Form.** The Statement defines its scope by reference to an acquirer's *modus operandi* and the characteristics of its proposed acquisition structure and operating model, rather than by whether the investor is a PE investor. For prospective PE acquirers, the Statement's practical implications therefore turn on those characteristics, and they should be prepared to distinguish their plans from the features of the PE *modus operandi* that concern supervisors. Non-PE investors should consider whether their own structures exhibit similar features and, as a result, fall within the Statement's practical reach.
- **Insurance Group implications and Leverage.** The Statement advises NCAs to scrutinise the entire ownership and financing structure, including any debt incurred above the (re)insurer i.e. on a group basis. NCAs may also consider a group SCR assessment at the level of the ultimate parent undertaking outside the EEA. Acquirers should therefore assess the impact of the financing and ownership structure in the context of insurance group supervision and whether there is any risk of extensions of the insurance group beyond EEA.
- **Conditional Approvals.** The Statement expressly contemplates that NCA approvals of an acquisition may be made subject to conditions. NCAs may impose conditions to mitigate risks identified during the assessment of the acquisition, including conditions or restrictions relating to dividends, investments, reinsurance, governance, reporting, exit strategy or changes to the acquirer's business plan. Transaction documents should clearly allocate between the parties the risk associated with any such conditions, and we expect an increased focus on burdensome condition constructs.
- **Change of Control Timelines.** The Statement encourages NCAs to require an informal pre-filing phase before the formal filing of the application, during which a draft of the filing documentation is provided to the relevant NCA for review. This will extend the filing timeline beyond the 60-working-day statutory assessment period,

which will not start until the pre-filing phase has completed. Transaction teams should factor this pre-filing engagement with NCAs into their timelines.

WHY HAS EIOPA ACTED NOW?

Historically, PE activity in the EU has mostly been visible in relation to acquisitions of insurance intermediaries rather than of (re)insurance undertakings themselves, essentially because they offer recurring and foreseeable revenues and are subject to lighter regulatory requirements (notably regulatory capital requirements). However, in line with the international trend towards increased involvement of private equity in life insurance, there is an increasing interest in private equity investment in (re)insurers themselves. This is of course not new in Europe (e.g. Cinven's acquisition of Viridium).

Since then, whilst the trend is less developed than in, for example, the US, transactions involving the acquisition of control of (re)insurers in the EU appear to be gaining momentum. According to EIOPA's accompanying [Impact Assessment](#), 37 acquisitions of control of EU insurance undertakings by PE firms were reported across 14 EU Member States between 2014 and 2024.

As of year-end 2024, 26 PE-related insurance undertakings remained active, held by around 20 PE firms across 13 Member States and managing assets totalling EUR 260 billion, corresponding to 2.4% of the total assets of the European insurance market. In several Member States, however, the market share of PE-related insurance undertakings is significantly higher, exceeding 15% in certain jurisdictions such as Greece, Luxembourg and Portugal.

EIOPA has identified a number of areas where the playbook of PE-related insurers diverges from that of traditional insurers, which may pose challenges for supervisory authorities.

These include:

- PE funds having a limited investment horizon;
- a shift in investment asset allocation towards private credit and illiquid assets;
- material use of reinsurance from third-country jurisdictions;
- related-party transactions (including investment management and reinsurance) and conflicts of interest; and
- the use of leverage and complex acquisition structures.

While EIOPA acknowledges that PE ownership of EU insurers does not currently pose a systemic risk, given its limited size, it has found materially divergent national supervisory practices. EIOPA has accordingly concluded that the Statement is required to establish a common set of supervisory expectations at EU level, to reduce arbitrage between Member States and give the industry predictability.

The Statement adopts a targeted rather than full-scope approach. It is not an exhaustive guide to the supervision of PE-related (re)insurers but only covers those risks that are assessed as most material (transparency, limited investment period and misalignment between policyholder protection and shareholder interests).

WHAT CHANGED SINCE THE CONSULTATION PAPER?

The approval of the Statement follows the publication, in February 2026, of a Consultation Paper on the same topic, which was open for consultation until 30 April 2026.

The overall structure and themes of the Statement are largely unchanged from that consultation paper, but EIOPA rebalanced the tone of the final text on several points in response to stakeholder feedback, with a view to clarify: where the consultation paper tended to frame several PE-linked features as risk factors to be addressed in the abstract, the final Statement is more explicit in acknowledging that these features are not inherently problematic, shifting the supervisory focus towards how they are managed in practice.

For instance, the final text confirms that the identified risks are not unique to PE ownership and may also arise in (re)insurance undertakings that are not PE-related, and reminds NCAs to address such risks in the same manner regardless of ownership. It also newly underlines the potential benefits that PE ownership, implemented in a sound and prudent manner, may bring to (re)insurance undertakings, and states expressly that the PE business model is not inherently problematic – a qualification that is absent from the consultation paper.

Similarly, on governance, the Statement goes further than the Consultation Paper, expressly recognising that shareholder involvement in governance arrangements is a normal feature of ownership structures and that performance-related remuneration is common market practice and not inherently problematic, refocusing supervisory attention on the effective management of conflicts of interest and on remuneration incentives inconsistent with sound and prudent management.

SCOPE: WHAT COUNTS AS A "PE-RELATED" UNDERTAKING?

The Statement deliberately avoids a technical definition of private equity, referring instead to PE in a general sense and focusing on its specific *modus operandi* and the characteristics observed by supervisors (active strategic involvement, a defined investment horizon, asset allocation shifts, leveraged financing, or use of an insurance undertaking as a funding platform for other group activities), rather than on specific PE firms, funds or other alternative investment vehicles.

Three strategies are identified as typical of PE investment in (re)insurers: (1) acquisition of a (re)insurer with a view to selling it after an investment period of 5–10 years; (2) acquisition of a (re)insurer without an explicit intention to sell it within a set investment period, but with the intention to

use the assets backing the long-term liabilities as a source of funding, lending or investment in other PE-related undertakings; and (3) acquisition of a (re)insurer to convert it into a back-book consolidator for the acquisition of run-off portfolios¹.

This is a significant drafting choice. Because the Statement defines its scope by reference to observed behaviour and ownership characteristics rather than legal form, NCAs retain broad discretion to treat a given acquirer as "PE-related" based on its *modus operandi*, even where the acquirer is not a PE fund.

Family offices, sovereign wealth vehicles, other alternative asset managers, and consortia of financial and non-financial investors pursuing insurance acquisitions may therefore be assessed by NCAs against the expectations set out in the Statement if their structure or *modus operandi* resembles that of PE investors. Equally, "PE" acquisitions that do not have that *modus operandi* should not necessarily attract the same level of supervisory scrutiny, for example where they have a demonstrably long-term investment horizon. In practice, however, the investor would need to substantiate this.

Although PE-related insurance intermediaries are outside the scope of the Statement, we anticipate that, in practice, NCAs may nonetheless draw on certain principles and criteria set out therein when assessing acquisitions of insurance intermediaries. While some of these considerations, particularly those relating to complex acquisition structures in qualifying holding procedures, are already reflected in current supervisory practice, the Statement may further reinforce and broaden their application.

ASSESSMENT OF ACQUISITIONS BY PE FIRMS OF QUALIFYING HOLDINGS IN (RE)INSURERS

Assessment period and pre-filing

Under Article 58 of Solvency II, NCAs have 60 working days from acknowledgment of a complete notification to assess a proposed acquisition of a qualifying holding, subject to limited suspensions where additional information is requested. EIOPA acknowledges that the ownership structures used by some PE firms (in terms of the number, composition and location of intermediary holdings, as well as their *modus operandi* and governance) can pose challenges for supervisors precisely because of this limited timeframe.

EIOPA does not propose to, and cannot, extend the statutory window. Instead, PE acquirers are encouraged to engage in early dialogue with the NCA before filing the formal application, in particular where material changes to the (re)insurer's business model are expected. This is consistent with the practice developed by several NCAs over the past years (not only in relation to PE acquirers), which has, in practice, led to a material

¹ With respect to run-off consolidators, see EIOPA's Supervisory Statement on supervision of run-off undertakings of 7 April 2022 ([link](#)).

extension of the timeline for obtaining DNOs in those jurisdictions. This is also reflective of the practice in the UK, where pre-application engagement with the regulator forms part of the process prior to the statutory period commencing and where, in practice, that pre-application period can take between 1 to 4 months.

Any longstop date for the fulfilment of conditions precedent in an M&A transaction of this nature should take into account that in practice, significant discussions and information requests may occur before the statutory review period commences, whether as part of an informal pre-filing phase or in the context of the NCA determining whether the notification is complete.

Inclusion of conditions in the declaration of no objection (DNO)

The Statement encourages NCAs to consider imposing conditions when issuing DNOs to mitigate certain risks. In particular, EIOPA is specific about two categories of conditions NCAs are recommended to consider:

- Risk-mitigation conditions targeted at specific concerns identified during the assessment of the business model. The Statement does not identify these conditions, but they read naturally against the risk themes set out elsewhere (business model sustainability, capital commitment triggers, leverage, reinsurance structuring).
- Regular, recurring reporting obligations relating to the PE entities above the target, covering material changes in the group structure and financial information regarding the main holdings of the PE group.

This marks a change in practice, as it is uncommon in the EU to see conditions imposed on change of control approvals. Indeed, the national laws in several Member States do not expressly contemplate the possibility of setting conditions in a DNO. In some of those Member States, supervisory concerns may instead be addressed in practice through alternative mechanisms, such as side letters or specific commitments obtained during the review process. These may include, for example, a comfort letter from the ultimate parent undertaking confirming its willingness to financially support the regulated entity if required.

This means that burdensome conditions provisions in transaction documents must remain a focus, to clearly allocate the risk of conditions, undertakings or commitments that NCAs may impose or require (whether in the DNO itself or as a precondition to its issuance), so that the parties have clarity on when the buyer may walk away from the transaction.

BUSINESS PLAN AND BUSINESS MODEL

In line with the Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector, the Statement recommends that NCAs require PE acquirers to provide a three-year business plan detailing any changes to the business model planned following completion of the acquisition, so that NCAs can attain a comprehensive understanding of that business model.

In addition, where the business plan is not considered sufficiently informative, NCAs can request board or PE investment committee minutes relating to the acquisition decision, extending supervisory visibility into the sponsor's internal decision-making. PE acquirers should anticipate that NCAs may request such internal materials, which are not normally disclosed to regulatory authorities, and should ensure that the information recorded in those materials is consistent with the business plan or other information included in the application notice.

NCAs are also expected to assess the sufficiency of the investments in the (re)insurer's long-term operational capabilities (including IT infrastructure and digital resilience) factored into the business plan. A business plan premised on near-term cost synergies that cuts IT or operational resilience spend is likely to be a red flag for regulators.

Any operational transformation, cost-cutting and outsourcing arrangements following an acquisition will also be supervised on an ongoing basis by NCAs, which are expected to evaluate whether resulting operational risks are properly identified, managed and reflected in the ORSA and assessed against their impact on governance, operational resilience and policyholder protection.

COMPLEX ACQUISITION STRUCTURES

The Statement advises that acquisition structures should not be overly complex and should enable supervisory authorities to exercise effective supervision. NCAs are expected to assess whether acquisition structures enable the sound and prudent management of the (re)insurer and the best possible control of relevant risks.

In the case of complex PE acquisition structures, PE acquirers will need to provide extensive information on the structure (including the PE firm's governance mechanisms, information on entities influencing PE decision-making, details of agreements regulating relationships between GPs and such entities, and any third-party interests that could impact management decisions relating to the (re)insurer), as well as a justification for each level of the ownership chain. In practice, the extent of the information required is likely to be applied proportionately, taking into account the acquirer's level of influence (considering the size of stake to be acquired and the rights attached to it) over the undertaking and the complexity of the acquisition structure. However, this means NCAs may look beyond the headline percentage holding to map economic interests, voting rights, governance rights and control by other means separately throughout the acquisition structure, including at GP and fund-management level.

We expect that most PE acquisition structures will be deemed complex for these purposes. In practice:

- PE acquirers must be prepared to provide a significant volume of information on each of the levels of the acquisition structure to enable NCAs to understand the substance of the governance arrangements and where decision-making power and the ability to exert influence sit in each of such levels.

- Complex structures optimised for tax or fund-governance reasons, without regard to supervisory transparency, may result in delays or difficulties in the regulatory filing.

INVESTMENT HORIZON AND EXIT RISK

PE shareholders may have a limited investment horizon with a short-term strategy. The Statement flags this as a potential source of misalignment with the insurer's long-term commitments to policyholders.

When assessing an acquisition by a PE firm, and specifically the acquirer's financial soundness, NCAs are told to evaluate capital commitments and their triggers, including, in particular, whether they are triggered in relation to the (re)insurer in question or extend to the PE fund as a whole. NCAs are expected to carefully review the shareholder agreements and partnership agreements throughout the acquisition structure for that purpose in the acquisition filing procedure.

Where there is a significant mismatch between the PE acquirer's business plan and the commitments towards policyholders (including as a result of high initial distributions to shareholders, changes in the investment strategy or other incentives for an early exit), NCAs may conclude the business model is not viable.

On an ongoing basis, NCAs are advised to require, where warranted (for example, by recurrent weak revenues or a material solvency decline), that potential exit scenarios are modelled in the (re)insurers' risk assessment framework and its ORSA, and NCAs engage directly with the undertaking's shareholders on those scenarios. NCAs are also directed to monitor financial stability as the investment horizon approaches maturity or where a sale attempt has failed, on the basis that the fund owners' incentive to provide financial support may by then be significantly reduced or eliminated, and to check that capital policies ensure self-financing and are not distorted by unrealised gains.

GOVERNANCE

The Statement devotes a full section to governance and the potential influence that PE shareholders may exercise over (re)insurers. The focus is not on shareholder involvement as such, which EIOPA recognises as a normal feature of ownership structures, but on ensuring that the control exercised by PE shareholders does not undermine the (re)insurer's effective system of governance.

The Statement advises that shareholder involvement in governance arrangements should not undermine the independent exercise of responsibilities by the undertaking's governing bodies or create unmanaged conflicts of interest. PE-related (re)insurers are expected to maintain sufficient independence and countervailing power, proportionate to risk, to prevent undue influence or control. Consistent with Article 62 of Solvency II, NCAs are directed to verify that decisions are made in the best interests of policyholders and beneficiaries, and to pay special attention to

whether affirmative voting rights within the Administrative, Management or Supervisory Body ("**AMSB**"), special shareholder rights (such as the capacity to appoint or remove board members or to veto significant changes) or other governance arrangements could undermine that independence.

NCA's are also told to evaluate the participation of PE representatives in the (re)insurer committees, including the functions of such committees and their interaction with the management team, and to verify whether the acquirer can exert control or significant influence over the (re)insurer regardless of the amount of equity or voting rights held. PE sponsors should accordingly expect their reserved-matter lists and veto rights (for example, over capital distributions, risk appetite, reinsurance strategy or asset allocation) to be scrutinised as part of this assessment.

In practice, we expect that NCA's will require PE-related (re)insurers:

- to put in place certain additional measures to strengthen the independence and autonomy of the insurer's management arrangements, such as having a relevant number of independent non-executive directors with (re)insurance expertise as AMSB members and a management team reporting to the AMSB (and not to the PE firm directly); and
- in the context of ongoing supervision, to produce board and committee terms of reference, meeting minutes and a governance trail showing that the (re)insurer's governance bodies operate on an autonomous basis.

Management remuneration structures are also subject to heightened scrutiny by NCA's, including leveraged share schemes with multipliers tied to specific targets. The Statement is explicit that performance-related remuneration is not problematic in itself, provided it is appropriately designed and does not encourage excessive risk-taking or short-term behaviour inconsistent with the undertaking's long-term obligations. Conventional PE management incentive plans may be difficult to reconcile with this guidance, as well as with the existing requirements on remuneration for (re)insurers,² unless significant changes are implemented and careful structuring is therefore required to pass the supervisory assessment.

On conflicts of interest, NCA's are directed to monitor intragroup transactions and related transactions (e.g., asset management agreements, reinsurance, outsourcing) for application of the arm's length principle.

Specifically, asset management decisions must remain independent where there is a potential conflict with an affiliated asset manager or advisor that is also a shareholder or group entity, consistent with the prudent person principle. The Statement emphasises the need for robust conflicts-

² As set out in Article 275(2)(e) of the Solvency II Delegated Regulation. See also EIOPA's Opinion on the supervision of remuneration principles in the insurance and reinsurance sector, EIOPA-BoS-20/040, 31 January 2020 ([link](#)).

management arrangements and independent decision-making where PE-related conflicts may arise.

INVESTMENTS

In view of the pattern that PE-related (re)insurers shift asset allocation towards private credit, non-rated credit and other alternative assets, NCAs are encouraged to assess:

- the complexity of determining Solvency II market-consistent valuation, including whether the undertaking has sufficiently knowledgeable staff to understand the valuation models and their limits, to carry out independent valuation (notably where valuation is outsourced), and to implement proper AMSB oversight;
- whether the investments (including illiquidity risk) remain compatible with the prudent person principle;
- whether the underlying risks of these assets are adequately captured in the SCR; and
- the robustness of asset-liability management against the insurance liability profile.

In practice, where valuation of private credit or similar assets is outsourced (including to an affiliated asset manager), the (re)insurer needs to demonstrate independent oversight and genuine in-house capability to challenge the valuation. This is a governance capability that smaller or recently acquired insurers may not have in place and will need to build, typically through a strengthened investment function or a dedicated valuation committee with direct reporting lines to the AMSB.

REINSURANCE AND ASSET TRANSFERS

The Statement identifies increased use of reinsurance to reduce capital requirements as a recurring feature of PE *modus operandi*, noting it may potentially give rise to recapture, counterparty and liquidity risks.

NCAs are expected to pay attention to:

- reinsurance contracts with high or variable commissions or termination clauses that can compromise effective risk transfer;
- funded reinsurance contracts with a PE-related reinsurer, in which the reinsurer is not restricted from investing in alternative or less liquid assets; and
- substantial transfers of investment assets (through reinsurance or otherwise), considering the implications for life insurance with profit-sharing and recapture risk. Public disclosure may be required where substantial asset transfers occur, on grounds of transparency.

All in all, reinsurance and asset transfers are not prohibited but subject to close supervisory scrutiny to ensure that risks are kept under control. This is part of the increased focus internationally on the use of asset intensive

reinsurance particularly in life insurance. Where such arrangements involve related parties, supervisory attention will focus on conflicts management and the independence of the undertaking's decision-making processes consistent with the best interests of the (re)insurer and its policyholders.

BALANCE SHEET ENHANCEMENT

EIOPA's concern is balance sheet enhancement (through shifts in asset allocation, use of derivatives or reinsurance or changes in actuarial assumptions) that tips into over-optimisation.

NCA's are advised to assess cash flows by category (operating, investment, financing and other) when evaluating the business plan, and must require a comprehensive, granular analysis of any changes to the Best Estimate, SCR computation and own funds, with a clear and transparent explanation of changes and demonstrated consistency between future management actions, valuation models and the business plan. Data quality is an explicit supervisory focus.

Where significant balance sheet enhancement occurs, the undertaking is expected to evaluate whether the Standard Formula remains suitable for SCR purposes, and NCA's should check that changes in investment strategy (including towards more dynamic strategies with higher fees) are properly reflected in the Best Estimate.

EIOPA is careful to note that assumption, methodology or model changes are not problematic in themselves where appropriately evidenced, documented and subject to adequate governance and validation, but the bar for demonstrating that is now more explicit than under general Solvency II practice.

LEVERAGE, ACQUISITION FINANCING AND INSURANCE GROUP IMPLICATIONS

NCA's are expected to assess that the (re)insurer's business plan ensures the insurer's ability to generate value and remunerate both capital and debt while maintaining adequate solvency, liquidity and policyholder protection.

Leverage may in some cases sit with the (re)insurer's parent company or another company upstream of the acquisition structure. In such a case:

- NCA's should scrutinise the entire financing structure, not only the financing arrangements at the level of the regulated undertaking, particularly where acquisition debt sits upstream of the (re)insurer and is expected to be serviced through distributions or other cash flows generated by the acquired (re)insurer.
- Where parent-level debt sits outside the EEA and could materially affect the financial soundness, solvency position or operational independence of the (re)insurer, NCA's should consider additional group-solvency assessments, potentially including a group SCR assessment at the ultimate non-EEA parent level.

- NCAs are also encouraged to run reverse stress tests (for example, decreasing premium volumes or distribution disruption) including the ability to repay debt, and to insist that baseline scenario assumptions are realistic.
- NCAs may require tailored financing reporting on a case-by-case basis, covering changes in funding arrangements and periodic updates on debt status, as well as additional tailored stress-test information in the ORSA covering potential future changes in risk profile and their effect on business plan sustainability.
- NCAs should pay attention to liens or pledges on the (re)insurer or other entities sitting above, which are deemed high risk if they exceed the amount of the PE fund's commitments invested in the (re)insurer in question.

Recent supervisory practice highlights the importance of a coherent acquisition-financing narrative addressing the source of funds, financing structure, security arrangements and any links between the target and the acquisition financing. This analysis should be aligned with the transaction and financing documents as well as the regulatory filing.

In general, NCAs are expected to look through the acquisition structure to the economic reality of leverage, wherever in the group it sits and regardless of whether it is held in an EEA or non-EEA holding company. Potential PE acquirers should take this into account when structuring acquisition debt and determining the amount and other terms of leverage, and should engage in early dialogue with the relevant regulator as soon as possible in the transaction process.

WHAT SHOULD CLIENTS DO NOW?

For PE sponsors evaluating or structuring EU insurance acquisitions:

- Build pre-filing engagement with the relevant NCA into the transaction timetable as a discrete workstream, not an informal courtesy call, and where feasible aim to begin engagement before signing on any acquisition with a non-standard business model or ownership structure.
- Prepare a credible, evidenced three-year (minimum) business plan as a core transaction deliverable, and be ready to substantiate it with investment committee or board materials if requested.
- Stress-test the proposed holding structure from an insurance group perspective for supervisory transparency, not only for tax and fund-governance efficiency, particularly where third-country intermediate holdings are involved.
- Model financing and leverage on a group-wide, look-through basis, including reverse stress tests, even where acquisition debt sits outside the EEA regulated perimeter.

- Review reinsurance and asset management arrangements with affiliates for arm's-length pricing, effective risk transfer and demonstrable independence of decision-making.
- Focus on burdensome conditions clauses, anticipating the possibility of conditional DNOs in transaction documents.
- Demonstrate the long-term nature of the investment where relevant and distinguish it from the features of the PE *modus operandi* identified in the Statement.

For target (re)insurers and their boards:

- Be aware that the Statement may be relevant even where there is not a PE involvement, if the structure presents similar risks or features of the PE *modus operandi*.
- Expand ORSA scope to capture exit-scenario modelling and reverse stress testing tied to the sponsor's investment horizon.
- Document governance interactions with shareholder representatives on committees, including terms of reference, minutes and the boundary between shareholder input and independent management judgment.
- Build or strengthen in-house capability to independently challenge outsourced management of illiquid or alternative assets.
- Review remuneration and incentive structures (including leveraged share schemes) against the sustained, long-term management standard the Statement expects.
- Be aware of the implications of PE involvement for the scope of insurance group supervision.



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This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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