As part of the Capital Markets Union Action Plan and in order to foster the participation of retail investors in capital markets the European Commission confirms that it pays a lot of attention to the issue of the costs and performance of investment vehicles (see for example its recent study on the Distribution systems of retail investment across the European union).

In this context, it intends to systematize reporting for all financial sectors (asset management, banking, insurance) and sent to the European Insurance and Occupational Pensions Authority (EIOPA) and to the other two European Supervisory Authorities - the European Banking Authority, the European Securities and Markets Authority - a request to issue recurrent reports on the cost and past performance of the main categories of retail investment, insurance and pension products.

The EIOPA decided to establish a consultative expert group (CEG) made up of actuaries and other experts representing market participants, academia or consumers in order to receive technical input, principally about :

- The methodology to calculate the performance of insurance-based investment products (IBIPs), personal pension products and DC pension schemes.

- The methods for identifying all the costs (both explicit and implicit) impacting the net performance of personal pensions, DC pension schemes and IBIPs.

Due to the confidential nature of the proceedings, it is not possible to discuss the details of the exchanges, which took the form of two meetings in Frankfurt and several conference calls.

The approach took place in the context of recent legislative developments and particularly the implementation of Priips, with the objective of capitalizing on the existing legal framework and to use a sampling of the market in order to limit the burden related to data collection.

More generally, the presence of experts from various backgrounds was an opportunity to assess the diversity of the European market, particularly in the field of IBIPs, and to identify a number of characteristics that will be important to take into account in the construction of reporting, such as : the specific features of guarantees backed by the general fund (often referred to as with-profit but which in reality have very different aspects across Europe), multi-option products and unit-linked policies, or the presence or absence of biometric risks and how to deal with in order to catch the financial performance.

Set up just as the Priips Regulation came into force, which posed major problems for many insurance markets in Europe, this exercise was a positive opportunity to better share and understand, on the basis of this recent experience, the specificities of insurance and pension products.

The work also benefited from interesting feedback through contributions reflecting two approaches to measuring cost and performance, one in the area of pensions, the other in that of savings.