

MANIFESTO :

FOR A PROTECTIVE EUROPE



EUROPEAN ELECTIONS 2024



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AÉMA GROUPE, A LEADING MUTUAL INSURER

- 5th largest insurance company in France
- 5th largest asset management group in France, more than €200 billion under management in late 2023
- 11.7 million people protected, i.e., one in six French individuals
- €15.6 billion in combined turnover
- 20,000+ employees
- 1,800 elected policyholders

7

INTRODUCTORY REMARKS

Fighting poverty and social exclusion, improving public health, and mitigating climate change: these are the top three expectations European citizens hold for the next European Parliament¹. All these concerns underline the **urgent need for protection**. This is hardly surprising in a world burdened with crises and uncertainties, where new, emerging vulnerabilities are affecting Europeans in their daily lives. This is why the policies to be implemented over the next five years **must put citizens at the heart of the European project**. Europeans harbour high expectations in this area – in fact, 88% of them say a social Europe is important to them². The European regulatory framework must enable public and private players to develop protection solutions that are adaptable and accessible to all in the different regions of Europe.

As a mutual insurance company, **Aéma Groupe**'s strength lies in its ability to adopt a long-term strategy. We will always favour a broad perspective over short-term considerations. This is why we are urging European decision-makers to reconsider their approach to protection in order to shape its future. We have developed a vision of a protective Europe around five key ambitions:

A Europe that encourages
*responsible
consumption*

A Europe committed to
sustainable finance

A Europe that *protects*
individuals from
life's uncertainties

A Europe that actively
promotes
environmental health

A Europe that *embraces*
diverse forms of
entrepreneurship

¹ Eurobarometer (December 2023).

² Eurobarometer (April 2024).

A EUROPE THAT ENCOURAGES RESPONSIBLE CONSUMPTION



To build a more sustainable society, sobriety is both an individual and collective duty, and one that involves boosting repairability to limit overconsumption. The European Union should not only guide citizens and businesses towards making more responsible choices, but also actively deter behaviours that promote overconsumption as a strategy for gaining market shares.

The European Union must provide citizens with the right tools to help them select responsible products available across the Single market. This is why we invite the Commission to draw up a list of common criteria for assessing the sustainability features of non-life insurance products.

Among the major barriers to repairability (a cornerstone of sobriety), the mutual insurance industry is alarmed by the rise of a new practice known as **gigacasting**. This involves replacing multiple chassis parts, traditionally assembled by welding, with a single moulded component. This new manufacturing method adversely affects consumers by complicating vehicle repairs and negatively impacts the environment by preventing the reuse of parts. This practice essentially heralds the rise of the **disposable car**, in direct contradiction with the sobriety and recyclability policies championed by the European Union.

We call for the ongoing work on end-of-life vehicles (ELVs) to include restrictions on gigacasting, a practice detrimental to both the environment and consumers and that runs counter to the EU's efforts to promote repairability and circularity.



A EUROPE COMMITTED TO SUSTAINABLE FINANCE

As mutual insurers, we are also institutional investors. We collect and invest the savings of Europeans and, as such, are key players in the ecological transition.

Yet, **the listed companies in our portfolios are not currently obliged to respond to shareholder requests about their environmental and societal strategies.** At the European level, a myriad of national regulations and outdated caselaw are hindering the necessary development of **shareholder democracy**. Additionally, the rules governing the percentage of shareholding required to propose resolutions have

not been updated, at a time when corporate mergers are creating giants and the amounts required to voice opinions are becoming increasingly inaccessible to European investors. In a context where many Europeans want to use their savings to support the environmental transition, **this must change**. More and more voices are calling for the relaunch of the Capital Markets Union. This shareholder democracy imperative seems self-evident to us, in light of the private capital needed to be massively invested in the twin transition

To increase accountability among economic actors, **we are calling for a harmonised framework at the European level, requiring very large, listed companies to respond to investor inquiries about the use of the savings entrusted to them.**

Engaging in dialogue with listed companies and submitting draft resolutions requires holding a significant portion of their capital. The future European framework must address the question of the minimum threshold required for proposing resolutions and consider the size of the stakeholders involved. This approach will facilitate the submission of external resolutions by committed investors on diverse issues such as climate, corporate governance, and executive compensation, thereby fostering a renewed sense of shareholder democracy.

As both institutional investors and actors of the environmental transition, we recognise **the colossal investments needed for the EU's environmental transition and green reindustrialisation.**

A substantial portion of these investments must come from unlisted entities (private equity and private debt) **across all regions**. Despite the European life insurance market being valued at nearly €668 billion, the flow of European citizens' savings into transition-critical assets is constrained by insurers' unilateral management of liquidity risk in unit-linked products. **Better risk-sharing between the EU and institutional investors would improve the liquidity of units of account invested in private equity**, thereby building the confidence necessary for European savers to invest in these instruments. It would also **boost activity and job creation across all regions**, while leveraging the necessary investments for transition and reindustrialisation and providing the EU with a powerful leverage effect at minimum cost.

→ This is why, to expedite the financing of transitions across European regions, we call for **the introduction of a European public mechanism offering a partial, conditional, and compensated guarantee for units of account invested in private equity within life insurance policies.**





A EUROPE THAT PROTECTS INDIVIDUALS FROM LIFE'S UNCERTAINTIES

Insurance plays a pivotal role in protection, serving as a **vital economic and social safety net** by pooling risks and promoting solidarity: a **cornerstone of our social contract**. However, concerns are emerging regarding the insurability of certain risks and access to insurance for the most vulnerable. The increase in systemic risks, starting with climate change, poses a significant challenge. By 2050, the cost of natural disasters could surge by 50%. Prevention will be paramount in the coming years, requiring the cultivation of a robust European risk culture..

To address these challenges, we call for the creation of a European climate risk research institute tasked with mapping the primary hazards facing EU territories and with consolidating and pooling best practices in natural risk prevention.

We also advocate that only projects meeting climate resilience criteria should qualify for European funding. Any public or private project seeking support from programmes such as the ERDF, the Cohesion Fund, Horizon, or LIFE should comply with the criteria relating to adaptation to climate change.

As mutual insurers, we firmly believe that the European Union should establish a framework that ensures that everyone, especially the most vulnerable, can access adequate protection. However, we cannot help but notice that certain measures implemented during this term, based on flawed observations regarding consumer protection, have put the most vulnerable at risk.

This is notably the case with the FIDA (Financial Data Access) regulation. Blind to the distinctions between banking and insurance, FIDA accelerates the transformation of citizens' data into marketable assets, benefiting profit-driven players who can more easily identify desirable risks. Unlike FIDA, mutual insurers offer policyholders robust data protection, surpassing the standards set by the GDPR. While it aims to simplify consumers' lives, FIDA ultimately exposes them to significant risks by promoting demutualisation, leading to increased insurance cost and exclusion of high-risk profiles.

For instance, at a time when Europe is facing a spectacular increase in climate-related claims, some insurers may soon choose to focus on low-risk areas or even withdraw from heavily affected regions, mirroring practices currently observed in certain parts of the United States. Such actions undermine the solidarity inherent to the insurance model, especially if European institutions fail to implement robust guarantees protecting all European citizens from climate change.

This is why we are appealing to European institutions to reach an agreement on FIDA grounded in principles that ensure the ethical and non-profit handling of personal information associated with insurance.

Another major gap in the protection of Europeans lies in the absence of regulation governing the sale of insurance products by various non-insurance networks, including banks. This blind spot exposes individuals to the risk of imbalanced relationships with their banks and misleading commercial practices. It restricts consumer choice and can lead clients to purchase insurance that does not meet their needs, ultimately reducing their protection. Being an insurer is not about offering indistinguishable insurance products; it is about providing a specific vision of guidance and support for people's lives. This added value is crucial for ensuring Europeans' protection.

Therefore, as part of Value for Money, echoing EIOPA's October 2022 report on the sale of creditor insurance products, we advocate for an investigation into commercial practices that could expose consumers to unsuitable or poor value-for-money products and services. This inquiry should encompass all entities marketing insurance products.

In response to the criticism levelled at our profession, we, mutual insurance and protection providers, stand ready to cooperate with policymakers to restore insurance to its rightful place at the heart of the European social contract.



A EUROPE THAT ACTIVELY PROMOTES ENVIRONMENTAL HEALTH

Protecting people requires all of us to increase our investment in the relationship between **health and the environment**, particularly as climate change and access to medical care both rank among society's top concerns in several Member States (Italy, Germany, Poland, Sweden, etc.), according to the IFOP/Aéma Groupe *Observatoire de la protection* (January 2024). **However, the realm of environmental health, in all its aspects, remains largely absent from the political debate**, despite the World Health Organisation's estimate that 15% of deaths in Europe (i.e., 1.4 million deaths per year) are attributable to environmental factors that could be mitigated or avoided.

This is why we are calling on the European Commission to propose ambitious initiatives to protect biodiversity, the environment, and human health. There is a substantial amount of ground to cover, encompassing environmental issues like air pollution and pesticides, as well as living conditions, including housing quality and consumer behaviours. These efforts align with European citizens' expectations: when asked about the areas in which the EU should take concrete measures to prepare for the future, 38% of Europeans cited the improvement of healthcare³.

³ Eurobarometer (April 2024).



→ We urge the European Commission to develop an action plan on environmental health, similar to what was initiated on mental health, addressing this issue comprehensively and formalising actions to be rolled out at relevant levels to address these challenges and meet citizens' expectations.

→ **We call on the Commission to propose an ambitious reform of the REACH** (Registration, Evaluation and Authorisation of Chemicals) regulation to restrict or ban hazardous chemicals, a reform that has been repeatedly postponed.

→ **We advocate for a strong initiative mandating improved traceability of recycled plastics.** Today, traceability is only established in the food sector, leaving Europeans exposed to chemical substances like brominated flame retardants (BFRs), which are recognised carcinogens, and endocrine disruptors (EDs), found in toys and childcare articles made from recycled plastics.

→ We also demand that plant protection companies be obliged, prior to marketing, to disclose to health authorities all chemical substances used in their products, and not just active ingredients. This oversight exposes Europeans to the dangers of the «cocktail effect» between substances, amplifying their carcinogenic, mutagenic, reprotoxic, and endocrine-disrupting effects. Endocrine disruptors, in particular, are a health time bomb, responsible for an increase in genital malformations and metabolic disorders in fetuses and young children. Consequently, European citizens and their health and social protection systems must contend with extremely costly fertility issues, both financially and socially.



A EUROPE THAT EMBRACES DIVERSE FORMS OF ENTREPRENEURSHIP

With the action plan introduced in December 2021, the social and solidarity economy (SSE) sector has received strong institutional recognition. However, the **European internal market remains far from complete for the SSE**. Legislative, procedural, and regulatory disparities are holding back our progress. For instance, **cooperation agreements**, which are vital for SSE companies, are considered **incompatible with the internal market** (Article 101 of the TFEU). Yet they are the primary vector of growth and development for SSE companies, which cannot access capital markets for expansion.

We cannot help but notice that the SSE, despite accounting for over 8% of European GDP, is often excluded from political deliberations on the European economic framework. This oversight is particularly damaging, considering that the social economy significantly contributes to the local and sustainable development of territories, in line with citizens' expectations.

The European Commission recognised the obstacles faced by associations and proposed a Directive in 2023 to remove barriers to their cross-border activities. Additionally, discussions are ongoing to establish European mutual prudential groups, allowing mutuals to participate in the European internal market.

This is why we are calling on European and national policymakers to recognise social economy enterprises, present across the continent in various forms and statuses, not only as agents of the environmental and social transition but as pillars of the European economy. This requires a renewed social contract, where profit is no longer the primary driving force.

We call on the European Commission to **evaluate the incomplete state of the internal market for SSE enterprises** and to take appropriate measures to eliminate barriers.

We advocate **for the continuation of the actions proposed in the SSE action plan** and, based on a report to be drafted as soon as possible, for new initiatives to be proposed, especially addressing distorted competition with traditional companies capable of accessing capital markets for funding.

By committing to long-term investment in the economy, we, the mutual insurance industry, foster stability and resilience and **actively support the financing of growth and the ecological transition**. Aéma Groupe manages over €182 billion of assets (equivalent to 10% of the French population's savings) and €200 billion of investments in favour of the environmental transition. However, to date, current discussions on sustainable investment initiated by European and national institutions **have largely ignored SSE players and their contribution**.

We therefore ask that SSE actors, who are involved in financing the economy through responsible and sustainable investments, be included in discussions on the Capital Markets Union (e.g., development of European long-term investment funds, etc.). Giving SSE players a voice would make it possible to explore new, fairer dynamics, moving away from financialization and the short-term economic focus of traditional financial players.

The time has come to write a new European social contract that meets the protection needs of European citizens and their wish for a stronger social Europe. Aéma Groupe is ready to collaborate with European decisionmakers to propose initiatives aligned with this ambition.

MUTUALISM, A PROTECTIVE MODEL IN HARMONY WITH THE EUROPEAN UNION'S VALUES

At its core, mutualism embodies the principles of ethics, governance, and social utility. Mutual insurers translate these values into action through democratic governance, ensuring fair decisions and providing accessible, tailored protection for all. While we operate with an entrepreneurial framework, our primary motivation is not the profits shareholders. Instead, our profits are directed towards fulfilling our mission of serving our beneficiaries. This distinct entrepreneurial approach resonates with the aspirations of European citizens.





ABOUT AÉMA GROUPE

Mutualist in its soul, activist by conviction, Aéma Groupe was founded by Macif and AÉSIO Mutuelle.

With the acquisition of Abeille Assurances in 2021, followed by the creation of Ofi Invest in 2022, Aéma Groupe is now France's fourth largest insurance company with a revenue of 15.6 billion euros in 2023. Its more than 20,000 employees and 1,800 elected representatives work every day to support and protect more than 11.7 million policyholders.

A leading multi-brand, multi-network and multi-business insurer, Aéma Groupe covers all insurance needs (Property & Casualty, Health & Personal Risk, Retirement Savings and Asset Management). Its extensive risk expertise and economic strengths make it a major partner in building the insurance of the future.

Independent and resolutely mutual, Aéma Groupe aims to provide enlightened, constructive and human answers to the major insurance challenges linked to transitions being experienced across the world. By building a leading mutual insurance company that brings together economic, social and environmental performance, Aéma Groupe is creating a new and solid model to provide global, sustainable and fair insurance for everyone.



GRUPE
MUTUALISTE
DE PROTECTION



AÉMA GROUPE

Société de Groupe d'Assurance Mutuelle (Sgam),
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