



FERMA

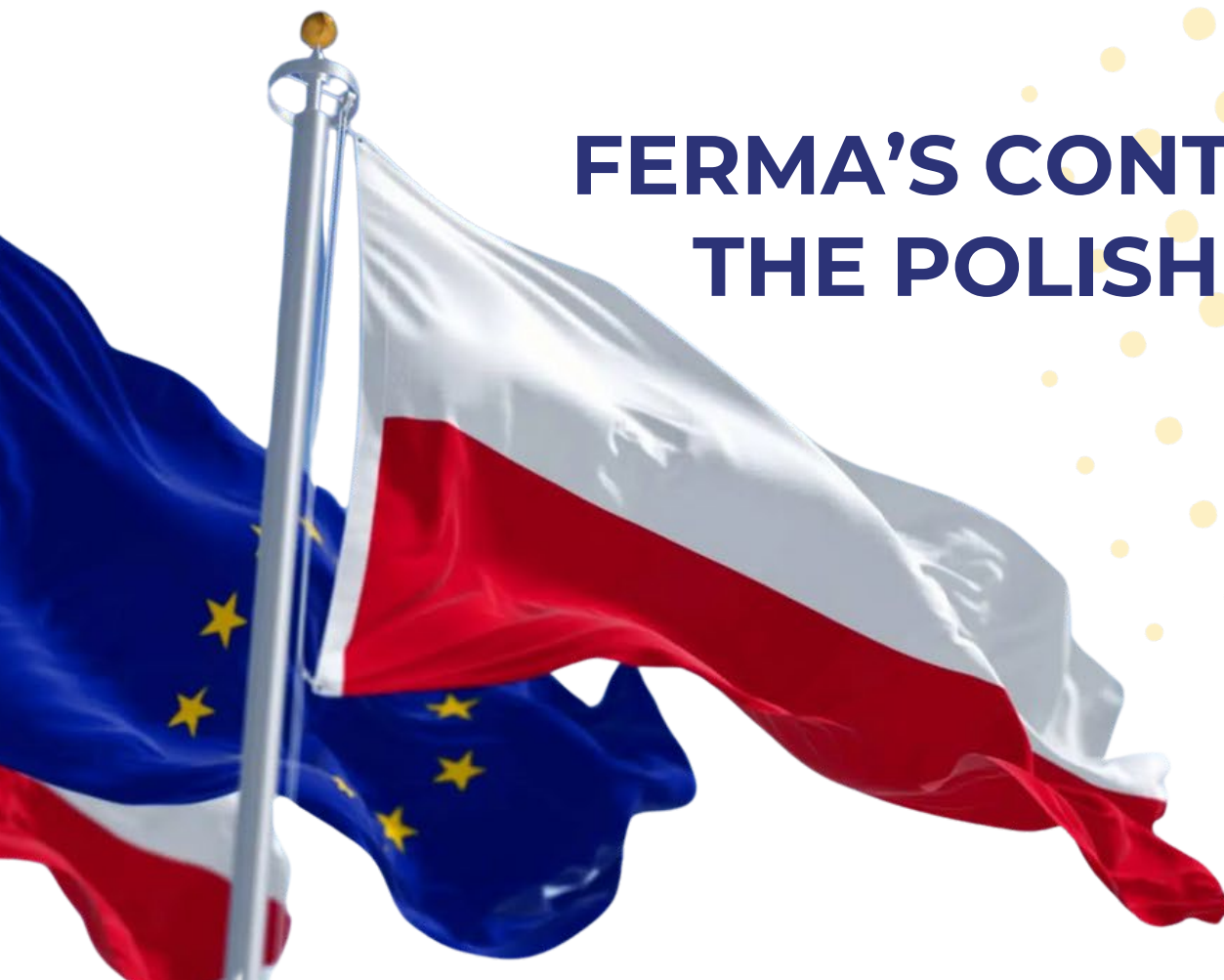
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FERMA'S CONTRIBUTION TO THE POLISH PRESIDENCY AGENDA

January 2025



Key Points



FERMA calls on the Polish Presidency of the Council of the European Union to recognize the contribution of risk management to building a **more prepared, more resilient and more competitive EU economy**.



On **economic security**, we support the Presidency goal to boost European competitiveness and recommend the use of risk-based concepts to simplify EU legislation. We also call on the Presidency to integrate the risk management expertise of our Network in upcoming preparedness policies, and to provide tools for the public and private sectors to face supply shocks, including through an EU-wide risk management training offer using the Rimap certification.



We appreciate the Presidency's emphasis on finding solutions to facilitate the competitive **net-zero transition** of EU enterprises. We urge the Presidency to consider the importance of insurance coverage in enabling the green transition, and recommend it addresses the pressing issue climate protection gaps through a public-private partnership.

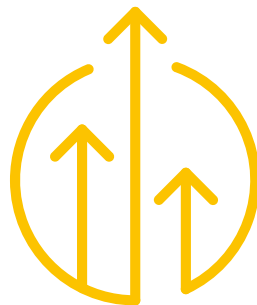


Strengthening the EU's **cyber resilience** is crucial in the face of growing cyber risks and hybrid threats, and we call on the Presidency to push for a high level of cybersecurity across the EU economy. Moreover, we recommend the Presidency address issues related to cyber insurance, in order to close gaps in coverage and reduce the EU's vulnerability to potential catastrophic cyber risks.

1. Context

Poland will chair the Council of the European Union for 6 months, from January to June 2025. The Polish Presidency is occurring at a decisive moment, as the EU is facing pressing challenges, from achieving the climate transition while improving its competitiveness, to ensuring its economic security while defending against hybrid threats. In order to address these issues, the Presidency will work with a recently re-elected Commission and European Parliament on ambitious initiatives, such as the Clean Industrial Deal, the omnibus legislation simplifying sustainability reporting, and the European Preparedness Union Strategy.

The Presidency's work programme follows a clear philosophy, spelled in its motto: "Security, Europe!". FERMA stands in agreement that Europe must overcome a challenging risk landscape in order to build a better future for all and believes that effective risk management practices can pave the way towards a more prepared, more resilient and more competitive EU. **We have identified three policy areas where FERMA and risk managers can contribute to Presidency's priorities: economic security, the net-zero transition and cyber resilience.**



2. Bolstering economic security

FERMA views positively the Presidency's emphasis on striving towards economic security and agrees that restoring EU competitiveness must be a central focus. In this regard, **FERMA appreciates the Presidency's commitment to regulatory simplification.** We recommend the increased use of risk-based concepts, as was done for example in the AI Act or CSRD. Clear and simple rules help companies remain competitive, while robust risk assessments lead to better decision-making.

In today's unstable geopolitical context, **security of supply** is another area of concern for companies. FERMA welcomes the Presidency emphasis on reducing supply chain risks, although risk managers are aware that they can never be negated entirely. Hence, we recommend enterprises be provided with the necessary tools, such as funds, training and facilitation guidelines, to be prepared for such supply shocks in all circumstances. **Notably, a comprehensive Europe-wide risk management training offer should**

be made available to both public and private organisations, using the rimap® certification.

Moreover, from FERMA's perspective **economic security cannot be dissociated from broader civilian preparedness.** The Niinistö report on civilian and military preparedness states that "*the private sector's preparedness and resilience is vital to ensuring critical functions for societies and the EU as a whole*"; an observation that FERMA shares wholeheartedly. Risk managers are first in line within their organisation to assess and address the risks posed by natural catastrophes, geopolitical instability or even hybrid threats to ensure business continuity – especially in strategic and dual-use industries.

FERMA calls on the Presidency to integrate the unique expertise of our Network of professional Risk Managers into the development of the upcoming European Preparedness Union Strategy, and to consider the private sector as a key-player on the path towards a more prepared, more resilient and more competitive EU economy.



3. Enabling the net-zero transition

Risk managers are vital to climate adaptation at enterprise level, as they strategically assess the risks and opportunities in their operations across the value chain. As such, they are well placed to support their organisations in their path towards climate neutrality.

Enabling the green transition of EU businesses means mitigating – and therefore insuring – the associated risks. However, private insurance coverage for transition-related risks is currently insufficient to meet demand, which in turns forces companies to choose between maintaining their competitiveness and meeting their climate goals.

Climate protection gaps are becoming a pressing issue across all economic sectors: 53% of risk

managers fear that their business activities or location may become uninsurable in the future, with climate-related risks ranking as the most probable area where coverage will withdraw.

For this reason, FERMA welcomes the Presidency's emphasis on finding solutions to facilitate the transition of the private sector, including through financial mechanisms. Addressing climate protection gaps, possibly through public private partnership, should be a priority. **Therefore, we recommend setting up an expert group led by the Commission to discuss the proposal for an EU public-private reinsurance scheme to address climate insurance gaps, as put forward by EIOPA and the ECB.**



4. Strengthening Cyber Resilience

FERMA supports the Presidency's ambition to develop a **comprehensive and horizontal approach to cybersecurity**. Cyberattacks and cyber incidents are a growing concern for risk managers across all industries – cyber risks rank as the most critical threat from the perspective of risk managers since 2020. Strengthening cyber resilience must therefore not be limited to critical infrastructure only. We call on the Presidency to push for high standards of cybersecurity aimed at increasing EU-wide cyber risk management.

However, risks can never be reduced to zero; risk transfer measures remain therefore necessary to achieve cyber resilience. Here, FERMA is concerned about the existence of **gaps in the cyber insurance coverage of EU companies**, which leaves them more vulnerable in the aftermath of cyber incidents. **We recommend to the Presidency to ensure that cyber insurance be included in a review of the EU cybersecurity strategy.**

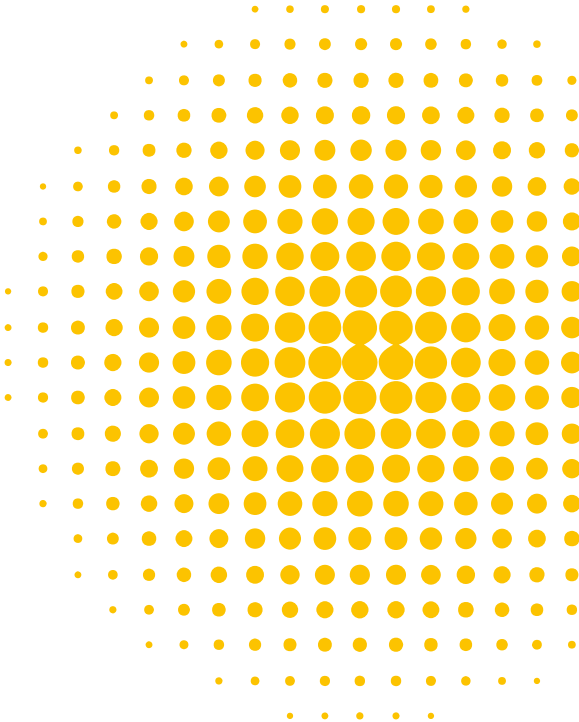
Furthermore, FERMA appreciates the Presidency's objective to strengthen the EU's cyber crisis coordination framework. Currently, the EU financial and economic stability could be vulnerable to **catastrophic cyber risks**, such as CrowdStrike-like incidents, which might lead to losses on a scale the private insurance market cannot cover alone. Since public intervention would in any case be required in this scenario, FERMA proposes establishing an EU cyber reinsurance pool or backstop mechanism in order to provide financial support to EU enterprises – a joint taskforce of the European Commission, EIOPA and ENISA could lead the work on developing such a system.



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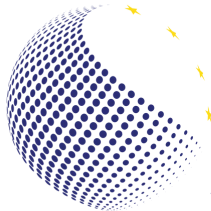
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