**Principles of paper: Insurers and investments in the European defense industry**

Core information

• Insurers recognize the importance of a strong and safe European Union is to protect its citizens and values ​​against internal and external threats.

• Insurers recognize that the defense industry plays a critical role in underwriting of security in Europe, but also an increased risk of human rights violations entails. This is a complicated dilemma faced by various stakeholders can be weighed differently over time.

• Insurers note that conducting due diligence on companies in the international defense industry is complicated by the complexity of this industry and the lack of transparency in the defense sector and its value chain. In addition, there is a lack of capacity, knowledge and data in the insurance sector. This due diligence process focuses primarily on compliance with international laws and regulations, international human rights and environmental standards and treaties, and export restrictions.

• Conditions apply to investment opportunities with regard to the risk profile the investment, but also requirements in terms of return, sustainability and costs. If these conditions are met, then investment opportunities are available The Dutch government could offer, such as a (defense) bond or a defense investment fund, potentially interesting for insurers.