

Insurance Europe response to EIOPA IRRD consultation on RTSs or the content of resolution plans and group resolution plans

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General comments

Q1. Do you have general comments on the consultation document?

Insurance Europe welcomes the opportunity to provide feedback on the consultation on the Regulatory Technical Standards (RTS) on the content of resolution plans. Industry **supports the proposed high-level, structured thematic approach** to the contents of a resolution plan, which is clearly aligned to the criteria of the directive.

However, the draft RTS leave significant scope for interpretation, which may lead to inconsistent or overly rigid implementation by National Resolution Authorities (NRAs). Industry proposes that EIOPA explicitly reinforce the **importance of proportionality** in applying these standards, especially for insurers with simpler structures or limited systemic importance.

Nevertheless, the requirements for how the information should be presented **should not be overly prescriptive**, as size, needs, and approaches will vary among undertakings.

Furthermore, in light of the multi-year approach adopted within the scope of the Bank Recovery and Resolution Directive (BRRD), a progressive pathway is also recommended for the insurance sector. this should reflect the timing and specificities of the insurance operational context, allowing for a smoother and more effective transition, with adequate time to build internal infrastructures and embed the requirements into existing governance frameworks.

The consultation paper (CP) currently suggests a "Big Bang" approach, expecting insurers to implement all Insurance Recovery and Resolution Directive (IRRd) principles and mechanisms at once—despite these having been developed in the banking sector over several years under the BRRD. Such an approach may:

- Fail to allow adequate time for insurance companies to correctly integrate IRRd requirements into their governance, risk management, and business continuity planning processes.
- Lead to suboptimal solutions or hasty interpretations of the new regulations, with potential repercussions on the stability of the sector.

A gradual and calibrated implementation, informed by lessons from the banking experience, would allow for more robust implementation. A three-year, stepwise integration of IRRD requirements would support a more organic and sustainable transition.

In addition, EIOPA should consider conducting a deep dive into the type and scope of information required by NRAs in resolution plans. This analysis should build on the preliminary work already developed by the International Association of Insurance Supervisors (IAIS), particularly the Application Paper on Resolution Powers and Planning, which outlines key elements of effective resolution planning. Leveraging this international guidance would promote consistency, reduce duplication, and support proportionality in supervisory expectations.

Finally, the industry highlights the following aspects:

- While Directive 2025/1 Article 4 (1) (a) explicitly mentions that **the contents of resolution plans may be subject to simplified obligations**, no further detail is provided in the consultation, **which would be useful to have**.
- **The impact assessment contains no quantitative cost assessment.** Without understanding the impact of regulations, it is very difficult to successfully reduce their burden, in line with the Commission's simplification agenda to reduce operational and reporting burdens on firms.
- In general, the **RTS should refer to "parents" rather than "ultimate parents"** as entities that are not subject to the Solvency II (SII) framework as stated in the Level 1 text should not be in scope of Level 2 and 3.

Draft Technical Standards – Recitals

Q3. Do you have comments on the Recitals?

Insurance Europe recommends adding the following recital to acknowledge the specificities of the reinsurance business model based on the diversification of cross-border geographies and business lines:

"When assessing the implications of cross-border activities for reinsurance undertakings, national competent authorities should give due consideration to the fact that the reinsurance business model is inherently cross-border. The diversification of risks achieved through such cross-border operations is a fundamental component of the reinsurance value proposition, enhancing both its efficiency and resilience. In this context, the cross-border activity criterion of reinsurance undertakings should not be misunderstood as an indicator of heightened risk."

Regarding the wording "consistent with the framework for banks" on Recital (1) neither the IRRD nor the mandate of EIOPA include a requirement for consistency with the banking sector. The IRRD only requires a certain degree of involvement of the resolution authorities of the banks.

The industry is concerned that too many requirements regarding the resolution plan or indirectly for the insurance undertakings will be formulated with the argument *"The same is done for banks"* without creating any significant benefit for the insurance sector and without a proper assessment of the differences between the two sectors.

Draft Technical Standards – Articles

Q4a. *Do you have comments on Article 1 – Definitions?*

The definition of “relevant services” should be more precisely aligned with the scope of business continuity management. One possible approach is to interpret “relevant services” as those provided by “essential service providers,” as defined in Article 2(86) of the IRRD. This would ensure consistency with the Directive’s terminology and intent.

Accordingly, the reference to “reinsurance services” should be removed. The term is vague, lacks a clear legal basis in either the IRRD or Solvency II, and does not correspond to the types of services envisioned under “operational continuity” in the IRRD Annex. That Annex refers to tangible operational enablers such as Information Technology (IT) services, premises and facilities management, and human resources—operational elements which are necessary to keep the undertaking functioning.

Furthermore, the second indent — “any other services needed to ensure undisturbed functioning of the undertaking during resolution” — is overly broad and unrealistic. By definition, resolution implies a degree of disruption. This provision risks creating unworkable expectations and should therefore be removed.

Q4b. *Do you have comments on Article 2 - Information to be included in resolution plans?*

Article 2(1)(b)(ii) – Critical interdependencies: The term is undefined in both the IRRD and RTS, with only examples provided. It would be helpful to reference Pillar 3 QRTs (where such exposures are already reported) and to clarify the distinction with Article 2(1)(d)(ii) on internal/external interdependencies, especially when such dependencies are considered “critical”.

Article 2(1)(b)(iv) – Preliminary public interest assessment: This term is also undefined. It is unclear whether the requirement applies to each possible resolution action or the plan as a whole. This may conflict with the concept of minimum market coverage and should be clarified.

Article 2(1)(c)(i) – Third bullet: This repeats IRRD Article 9(6)(c) without adding clarity. Expectations for demonstrating legal and economic separation of critical functions and business lines should be specified.

Articles 2(1)(e)(ii) and 2(1)(f)(ii): These are direct repetitions of IRRD Articles 9(6)(h) and 9(6)(l), respectively, and offer no added value.

In the industry’s view, the requirement in RTS Article 2 (1)(d)(ii) is already placed in RTS Article 2 (1)(b)(iii) as the latter also requires a description of relevant services.

Overlap – Articles 2(1)(b)(iii), 2(1)(d)(ii), and 2(1)(d)(iii): With the requirements in Articles 2(1)(b)(iii) and Article 2(1)(d)(ii), “relevant services” are effectively described twice. In addition, Article 2(1)(d)(iii) requires outlining “shared operations and systems, which are critical for operational continuity”, while the definition of “relevant services” already includes services “to ensure undisturbed functioning”. As the provisions largely overlap and the distinction between “relevant services” and internal/external interdependencies is unclear, the industry recommends EIOPA to consider removing this duplication.

Article 2(1)(e)(v): Potential funding sources are rarely available. Suggest inserting “if any”.

Article 2(1)(f)(ii) – Communication Strategy: Article 9(6)(I) of the IRRD requires only a "plan for communicating with the media and the public". In the draft RTS, this plan is presented as a sub-item of a broader "communication strategy with critical stakeholder groups" in Article 2(1)(f)(ii). As the IRRD does not foresee such a stakeholder-specific strategy, this represents an extension. In our view, defining a preventive communication strategy per (possible) stakeholder group is not practical, as it must be tailored to the actual situation at the time of the crisis – a situation that is by nature difficult to foresee.

Other stakeholders - RTS Article 2 (1)(f)(ii) refers to "other relevant stakeholders referred to in (a)". There are no other stakeholders noted "in (a)" (understood as Article 2(a) of this RTS) and Article 9(6)(I) of IRRD does not provide for a communication strategy specific for certain stakeholder groups.

Insurance Europe supports the removal of the term "challenges" from Article 2(g)(iv) because the concept of "challenges to resolvability" is not grounded in the IRRD and introduces ambiguity regarding its legal and operational implications. The RTS should adhere to the terminology used in the IRRD, specifically the established concept of "impediments to resolvability."

According to Article 2(2) any background information, descriptions and analyses supporting the preparation of relevant points (1) - (8) (probably meant is a to h) shall be included in annexes to the resolution plan. In the industry's view, this should be restricted to key information.

Q4c. *Do you have comments on Article 3 - Information to be included in group resolution plans?*

Clarification of scope and structure: Article 3(1) refers to Article 2, implying that group resolution plans must include all solo-level content plus additional group-specific elements. While this reference is already made in IRRD Article 10(2)(f), further clarification from EIOPA could help ensure consistent implementation across the EEA. It is suggested to amend Article 3(1) as follows:

*"A group resolution plan shall contain the **aggregated** information prescribed in Article 2 of this Regulation, **material for the insurance or reinsurance group from a resolution planning perspective**, and should additionally contain the following elements:"*

Wording alignment: Since Article 3 covers group-level plans only, Article 3(1)(a)(iii) should refer solely to groups. Suggested change:

"...insurance or reinsurance group" instead of "...insurance or reinsurance undertaking or group."

Entity scope clarity: Given that the legal and operational implications of the IRRD vary for EEA insurance and reinsurance undertakings, to which the IRRD applies, and related third-country legal entities, whose winding-up is governed by local regulations, it is important that the RTS provides clarity on the type of entities referred to in Article 3.

Specifically, Article 3(1)(a)(ii) should be revised to state: *"information about all EEA insurance or reinsurance undertaking(s) and, where relevant, their branches operating under the freedom of establishment in the single market, (...)"*.

Resolution strategy alignment: Article 3(1)(b) should be revised to state: *"a description of the group resolution strategy or strategies considered in the plan, including the identification of the EEA insurance or reinsurance undertaking(s) to which resolution tools or resolution powers may be applied."*

Distinction between internal and external service providers: to distinguish Article 3(1)(a)(iii) (which refers to group-internal providers) from Article 3(1)(e), it is recommended to clarify the latter as: *"...external essential service providers..."*

Annex: Impact assessment

Q5. *Do you have comments on Policy issue A: the structure, scope and level of detail when defining the content of the resolution plans?*

A purely qualitative impact assessment is insufficient. The RTS may trigger significant and unpredictable burdens on insurers. A quantitative estimate is needed to support an informed decision, considering costs for undertakings and policyholders.

The impact of pre-emptive resolution planning is highly underestimated. While in theory the burden is on the NRA to draft the pre-emptive resolution planning, experience from BRRD proves that the workload for insurance companies and groups will be very high. The requirements are already recognisable in the other consultation papers.

- Firstly, insurers will be required to deliver large volumes of data, often through ad-hoc requests.
- Secondly, the NRA will require the development of one or several playbooks (compare EIOPA CP “Guidelines on assessment of resolvability”).
- Thirdly, insurers will be asked to perform multi-annual testing programs to verify resolvability and preparation of a self-assessment report with an evaluation of its own resolvability (compare EIOPA CP “Guidelines on assessment of resolvability”).
- Provision of information to allow the detailed initial separability analysis (compare EIOPA CP “Guidelines on measures to remove impediments to resolvability”).
- Lastly, day-to-day processes will have to be redesigned. A “resolution reflex” must be embedded throughout the organisation—from insurance policies to IT systems, and from reporting processes to risk management.

Any other comments

Q6. *Do you have any other comments?*

It is very important that there are clear boundaries with respect to the powers of NRAs. NRAs should only be allowed to request (additional) information when there is a clear legal basis and well-substantiated reasoning. A balance must be found between the importance of resolution planning and resolvability and the importance of the undertaking’s efficient operations.

The industry suggests providing resolution plan templates, which will help reduce costs and discussions with NRAs while promoting uniformity across the EU.

Insurance Europe is the European insurance and reinsurance federation. Through its 39 member bodies — the national insurance associations — it represents insurance and reinsurance undertakings that account for around 95% of total European premium income.