

Final Insurance Europe response to EIOPA IGS Survey

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General comments

The European Commission's work on the potential minimum harmonisation of Insurance Guarantee Schemes (IGS) within the EU could have significant impact on the European insurance sector. The three-week period foreseen by EIOPA for stakeholders to respond to its latest public survey on IGS is not sufficient and does not provide the necessary time to respond to the lengthy and complicated questions being asked of stakeholders.

Given the limited consultation period, the responses provided below reflect the industry's initial reflections on the questions posed by EIOPA and should not be considered to be conclusive.

We are also concerned that there appears to be little emphasis on evidencing the justification for, and the potential economic impact of, any minimum harmonisation requirements. This includes the additional costs to the industry, which will ultimately be borne by policyholders. As part of its work, we request that EIOPA carries out a systematic and quantitative assessment of the costs of any proposals, and considers the impact on policyholders, particularly where they result in higher insurance premiums.

General questions about potential impact of harmonized IGS

Level of standardization, cross-border relevance and economic impact

Q1a: *Beyond the financial or social hardship for policyholders, high market share in cross-border business and mandatory nature of the policy, should there any other criteria be considered to determine insurance policies eligible for IGS protection?*

- **Yes**

Q1b: *If yes, please name it.*

- **Lack of evidence for harmonisation:** the number of failures of insurance companies in the EU over the last 25 years or more has been very low¹ and as far as we are aware, few of these resulted in real material losses for customers. In Sweden, for example, there have been no failures for at least 25 years.

A comprehensive analysis of actual customer losses experienced by European policyholders due to EU insurance company insolvencies is a necessary prerequisite to further discussion on potential minimum harmonisation of IGS.

- **Existing national arrangements:** The need for an IGS depends heavily on national circumstances that differ substantially between member states. Factors that should be considered include existing national winding-up regimes in supervisory laws, existing IGS mechanisms, NCA-regulations for dedicated reserves at national level (eg. "Zinszusatzrückstellung" in the case of traditional life insurance in Austria, etc.) and different insurance contract laws that provide for a robust and secure insurance system.
- **Existing EU legislation:**
 - Solvency II has ensured **very high levels of policy holder protection** across all EU countries by linking capital requirements to actual risk and through high capital buffers, supported by extensive reporting, governance, supervisory monitoring and supervisory intervention tools. The extensive regular reporting requirements provide supervisors with early warnings of financial deterioration. Solvency II includes a **supervisory ladder of intervention** that is designed to firstly allow for a recovery plan but also so that, if needed, the supervisor can take over the company while there is still surplus capital (i.e. technical provisions valued with conservative discount rate, the risk margin and the minimum capital requirement). These extra buffers are a key reason why even in the rare cases of failures, there should be sufficient capital to meet the insurer's future obligations.
 - In addition, the impact on the overall prudential regime, and in particular the need for harmonisation of IGS, from the implementation of the IRRD is currently unclear. No thorough impact assessment has been conducted of the IRRD that includes, for example, the expected costs of the financing arrangement and the extensive requirements proposed by EIOPA at level 2 and 3.

¹ PACICC, *When, Where and How Often Insurers Fail: The Global Failed Insurer Catalogue – 2025 Update*.

The level of protection provided by both existing and newly introduced measures should be first thoroughly evaluated before additional steps are envisaged.

- **Costs:** In alignment with the simplification and competition strategies at the EU level, **substantial additional administrative burden and costs** to insurance companies with questionable added value should be avoided. No analysis has been done that would enable stakeholders and policymakers to assess whether the costs of introducing regulation to harmonise IGS requirements across the EC are justified by clear evidence of the needs and benefits, especially noting that these costs will in the end be paid for by EU policyholders.
- **Product characteristics:** The nature and structure of products must be considered in detail, and these are often **specific to national markets**. Important features include the illiquidity of the insurance liabilities (reducing the risk of a depletion of the assets) and whether policyholders are protected in kind (such as health insurance policies in some member states). In particular:
 - For **life and health insurance** the aim should not be to compensate consumers in the event of a company's insolvency, but rather to ensure that contracts are continued in the interests of the customer. It would be unreasonable to expect consumers to conclude a new contract at an advanced stage of the contract if they are elderly and their health may be deteriorating.
 - It only makes sense for products be covered by minimum harmonisation if they are **mandatory, identical in all member states and involve cross-border operations**. This is the case for motor insurance policies, that are already subject to EU-regulation. These policies are unique as being mandatory and similar in all member states and especially likely to involve cross-border use.
 - **Competing products on the market:** for example, pension funds might be allowed to reduce rights of participants in a pension fund (i.e. bear some of the losses in a fund on a going concern basis) without being protected by a guarantee fund.
- **Retaining national flexibility:** "One size fits all" rules will fail to address objective differences resulting from the significantly diverging size, concentration, product designs and dominant insurance lines across national insurance markets within the European Union and so we conclude there is **no need for a wider harmonised approach at EU level**. In the event that the EC/EIOPA deems there to be sufficient evidence for minimum harmonisation of IGS, **national flexibility should be kept** around product and policyholder scope, establishment, compensation limits, funding (ex-ante/ex-post), and contribution methods to ensure that the best solution is found for every market. This reflects that there are important differences between member states regarding social welfare systems, winding-up processes for insurers and insurance product lines.
- **Good practice guidance:** A way forward could be for the European Commission and EIOPA to provide good practice guidance on IGS. Such guidance could be very helpful for those Member States who want to introduce or expand their IGS. There are recent examples when the Commission has developed good practice guidance in the context of the Savings and Investment Union, for example the recommendations on auto-enrolment in occupational pensions.

Q2a. *What would be the main impact for insurers resulting of an IGS covering specific eligible policies?*

- **Moral hazard:** There is a clear risk that the IGS could lead to increased problems with moral hazard, especially if not designed based on the needs of the specific Member State. Insurance is largely about assessing and pricing risks. Badly designed IGS may enable new, weaker and less reputable insurance companies to enter the market by offering underpriced premiums. This is because IGS may reduce the incentive for these companies to conduct thorough risk assessments and price risk correctly as such companies do not perceive themselves as fully accountable to their policyholders. Thus, there is a risk that well-managed and financially stable insurers—and their policyholders—will ultimately bear the costs caused by less stable and poorly managed companies.
- **Costs of funding requirements:** Whatever form of funding is chosen, an IGS will increase costs for insurers.
- **Increases in other costs:** In addition to the funding requirements, an IGS leads to structural increases in costs for insurers. Additional operational and compliance requirements may include:
 - Policyholder information requirements,
 - Amendments to contracts,
 - Overhead costs,
 - Increased reporting, governance, and compliance tasks,
 - System and process upgrades,
 - Potential product repricing or withdrawal from certain insurance lines, and
 - Increased cross-border compliance complexity

This will create recurring administrative burden, having an especially disproportionate impact on small and non-complex insurers and in cases where there are existing national protection schemes.

- **Risk of double funding:** There is a risk that undertakings will be required to finance the risk of failure twice, through both IRRD funding and an IGS.

Q2b. *Do you foresee material additional costs for insurers?*

- Yes

Q2c. *If yes, please specify how an IGS covering specific eligible policies will increase costs for insurers.*

- Please refer to the points on 'Cost of funding requirements' and 'Increases in other costs' raised in Q2a on the impact for insurers of an IGS.

Advantages and disadvantages of different types of IGS

Q3a. *The main advantages of covering life insurance are the unique vulnerabilities of the life insurance policyholders (notably the fact that life insurance is a long-term contract and it is often used as a saving / retirement vehicle.) However, costs for life insurers could rise resulting in higher premiums and reduced affordability. Is there any other advantage or disadvantage to highlight in case of harmonized IGSs covering life insurance?*

- Yes

Q3b. *If yes, please explain which ones.*

- **Impact on policyholders and beneficiaries:** The impact for policyholders and beneficiaries must be the primary concern if deciding to have IGS for life insurance. Introducing an IGS without any material need would only result in less and fewer attractive insurance products for long-term savings, ultimately making policyholders and beneficiaries worse off. Insurance companies would be required to finance the IGS, and this cost would inevitably be passed on to policyholders and beneficiaries. For long-term savings products, the overall level of fees and taxes is critical to the final accumulated return and pension savings. Any additional cost directly reduces long-term value and, thereby, the pension for the policyholders and beneficiaries. To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes whether IGS should cover life insurance policies.
- **Difficulty of determining appropriate levels of protection:** It will be hard to determine an appropriate level of protection (either absolute or percentual or a combination), as this will depend on many factors (purpose of the product, geographical factors, etc.). It is difficult to 'generalise' the vulnerability of life insurance policyholders. Vulnerability might be reduced by limitations to surrender policies (for tax reasons, surrender fees, etc). and depending on the financial resources of policyholders, they may be more or less vulnerable.
- **Moral hazard:** Please refer to the points on 'Moral hazard' raised in Q2a on the impact for insurers of an IGS.
- **Increased costs:** It would be very costly for individual member states to establish or expand new or existing guarantee schemes with an additional level of coverage for either non-life or life insurance.

Q3c. *Where do you see more added value: an IGS covering all life policies, just some specific life policies, no life policies?*

- No response

Q3d. *Please explain the above.*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current level of national discretion on the establishment and features of an IGS. Member states should be free to choose the design of their own IGS mechanism(s) based on their own market structures, mix of business, cultural view towards risk, products etc. This includes which life policies, if any, any IGS should cover.

Q4a. *The main advantages of covering non-life insurance mostly relate to risks being covered and payments being made also in the case of an insurers' failure. Funding and operational costs for a non-life scheme are typically lower compared to a life scheme. Is there any other advantage or disadvantage you would like to highlight?*

- Yes

Q4b. *If yes, which one?*

- Insolvencies in non-life are exceedingly rare. Therefore, the main disadvantage of covering non-life insurance is that it may create administrative burdens for limited additional consumer benefit. Most Member States do not need an IGS covering non-life insurance, so mandating one would lead to unnecessary cost for insurers that would be passed on to the consumer.
- The same issues raised in the response to question 3b regarding life insurance around the potential impact on smaller markets and moral hazard equally apply to non-life insurers.
- The statement that funding and operational costs for a non-life scheme are typically lower compared to a life scheme builds on many assumptions, including the design of IGS. In addition, no evidence is provided for this statement.

Q4c. *Where do you see more added value: an IGS covering all non-life policies, just some specific non-life policies, no non-life policies?*

- No response

Q4d. *Please explain the above.*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current level of national discretion on the establishment and features of an IGS. Member states should be free to choose the design of their own IGS mechanism(s) based on their own market structures, mix of business, cultural view towards risk, products etc. This includes which non-life policies, if any, any IGS should cover.

Q5a. *What is your preferred approach for the IGS when eligible policies include both life and non-life insurance: a single IGS covering both, or two separate IGS?*

- No response

Q5b. *Please outline the main advantages and disadvantages of your selected option. When outlining the advantages and disadvantages please think about both costs aspects and complexity for the sector (i.e., how to ensure adequate funding given the variety of risks covered) but also for consumers (i.e., how can consumer easily know what is covered and not covered by an IGS and make informed decisions)*

- Life and non-life insurance have fundamentally different risk profiles, time horizons, funding requirements, insolvency regimes and resolution needs. A single IGS would force non-life insurers to subsidise costly long-term life obligations and complicate the design of funding, governance and resolution rules. Separate schemes avoid cross-subsidies, keep costs proportionate, and ensure clear, efficient protection for policyholders.
- The question as currently phrased only leaves the option of one or two IGSs. However, there are examples of Member States (e.g. Belgium) where there are more IGSs currently operational, often with

a significantly wider scope than pure IGS operation (e.g. loss prevention). It would therefore be preferable not to mandate harmonising the number of IGSs, but to keep it as a Member State option. A flexible approach will allow Member States to maintain current organisations unchanged which would be more effective to avoid unnecessary and unjustified burdens and costs.

Q6a. *Do you think that harmonised standards for IGS could result in offering more insurance services across the EU as a result of increased trust from consumers?*

- No

Q6b. *Please indicate your level of agreement for minimum common standards for IGS covering life insurance.*

- No, would not increase services across the EU

Q6c. *Please indicate your level of agreement for minimum common standards for IGS covering non-life insurance.*

- No, would not increase services across the EU

Q6d. *Please explain your reasoning for each scenario, including the impact of covering all the policies or just specific policies.*

- We do not expect harmonised EU standards for IGS to lead to an increase in the overall offering of insurance services across the EU. It would not increase cross-border offers either. To the contrary, introducing harmonised IGS standards could raise levies and compliance costs, which would likely be reflected in higher premiums or reduced benefits and could therefore constrain product supply rather than expand it. In addition, higher premiums might lead more consumers to be uninsured, thereby reducing the overall level of protection.
- A proper impact assessment should be done, but we do not have the impression that the availability of an IGS, of which policyholders are rarely aware, would materially increase trust of customers. Solvency II is already designed to increase consumer trust. Further cross-border uptake will rather depend on product competitiveness, taxation, digital accessibility and consumer familiarity.

Overview of interaction with IRRD and potential variants of harmonized IGS

The institutional setup of national resolution authorities and IGS

Q1: *IGS can be set up in multiple ways with different pros and cons for every option. Possible set-ups include fully independent institutions, integrated IGS-function in supervisory authority or in a resolution authority (like some deposit guarantee schemes). In resolution, it could be beneficial to have the IGS closely involved in the planning and execution stage. How could the institutional set up of the IGS vis-à-vis the resolution authority work in the most effective way, addressing potential overlaps or conflicts?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes the institutional set up of the IGS vis-à-vis the resolution authority.

The different functions of IGS

Q2a. *How can the IGS complement the resolution planning efforts of the resolution authority? Please explain.*

- Imposing a third supervisor (in addition to the supervisory authority and the resolution authority) in the form of the IGS is not acceptable. An IGS can provide input on operational constraints such as e.g. data, beneficiary identification or payout channels. An IGS should not become a substitute for robust prudential supervision and early intervention.
- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes whether the IGS should in anyway complement the resolution authority.

Q2b. *What are the main advantages and/or disadvantages of involving the IGS in the application of resolution tools; i.e. bridge insurer, solvent run-off, transfer etc.?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes whether the IGS should be involved in the application of resolution tools; i.e. bridge insurer, solvent run-off, transfer etc.

The manner in which IGS would share losses in resolution

Q3a. *How could the IGS be used in the application of the conversion and write-down tool to avoid or limit losses to policyholders?*

- An IGS should not be used to absorb losses that are properly borne by shareholders/creditors under the resolution framework. Any role should be tightly constrained to avoid undermining loss-allocation principles and to prevent moral hazard.
- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes whether IGS could be used in the application of the conversion and write-down tool.

Q3b. *Please explain and consider any lessons learned from the involvement of deposit guarantee schemes (DGS) in bank resolution*

- Banks have a fundamental and unavoidable mismatch between their duration of assets and liabilities. In addition to this, the core product is a current account designed and intended for customers to have immediate access to their money at all times. This means that the system is vulnerable to a bank run based on real or incorrect news about the bank's liquidity or solvency. There is significant evidence from past bank runs and failures as well as behavioural science that bank deposit guarantee schemes

are needed and benefits outweigh the costs. None of this applies to insurers, where there is no evidence of the need or benefits of IGS outweighing the costs.

- Therefore, there are no substantive lessons to be drawn beyond the principle that *structures and regulation should not be copied from the banking sector to the insurance sector*, because similar systems do not function across different sectors.

Q4a. *Should it be required as part of EU harmonisation that an IGS is always available, also in resolution cases, to avoid or limit losses to policyholders?*

- No

Q4b. *What are the main aspects to consider for the involvement of IGS in resolution?*

- An IGS should not be required to be available in all resolution cases. Making IGS participation mandatory would undermine the primacy of IRRD tools, increase industry costs, create moral hazard, and conflict with national protection systems. It should not be the task of an IGS to provide resolution funding.
- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes if IGS should always be available in resolution cases.

Q4c. *What are the main advantages and disadvantages of having such a requirement?*

- Disadvantages: undermines IRRD primacy, creates large and unpredictable financial burdens, disproportionately harms small insurers, increases moral hazard, risks conflict with national protection systems, and adds unnecessary legal and operational complexity.
- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes if IGS should be available in resolution cases

The IRRD requirement to establish financing arrangements

Q5. *What are the main advantages and disadvantages of combining IGS and (resolution) financing arrangements in their institutional set-up?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes any combining of IGS and (resolution) financing arrangements.

Q6a. *Should there be a split of tasks between the IGS and the financing arrangements?*

- Yes

Q6b. *Please explain.*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes if there should be a split of tasks between the IGS and the financing arrangements.

Description of conditions for effective funding of IGS

Pure ex-post model

Q1: *What mechanisms or safeguards could be implemented to ensure that sufficient funds are available in a pure ex-post funding model?*

- A pure ex-post model is credible if it ensures timely liquidity at the moment of need. Safeguards could therefore include pre-arranged contingent liquidity (e.g., committed credit lines) and clear emergency levy mechanisms, but the set-up and nature of these should maintain the current national discretion on the establishment and features of the IGS.

Combined funding model

Q2a. *What should be the main criteria when deciding on the ex-ante portion of a hybrid model?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes if the funding of the IGS should be ex-ante, ex-post or a hybrid model. Thus, as with the financing arrangement in IRRD, it shall be decided by the Member States. In addition, it is important to highlight that ex-ante financing would mean that funds that the insurance companies could use to make investments to strengthen the competitiveness of EU in line with the ambition of the SIU would not be available.

Q2b. *Under a combined funding model (ex-post funding with elements of ex-ante funding), typically a target level for the ex-ante portion would be based on the required or desired absorption level of the IGS in a specific market (e.g. the failure of two medium sized insurers or one large insurer). Should there be an absolute target level of funds to be raised on ex ante basis?*

- No

Q2c. *Please explain.*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes whether or not there should be a target level of funds to be raised on ex ante basis. Thus, as with the financing arrangement in IRRD, it shall be decided by the Member States.

Q2d. *What should be the main considerations and criteria when deciding on a contribution base for the IGS per insurance insurer?*

- Other considerations

Q2f. *Please describe any other considerations.*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes whether or not there should be a target level of funds to be raised on ex ante basis. Thus, as with the financing arrangement in IRRD, it shall be decided by the Member States.

Q2g. *What criteria should be considered to ensure proportionality?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes any criteria used to ensure proportionality.

Description of potential for harmonizing operational functioning of IGS

Triggers for IGS activation

Q1a: *What are the main aspects to consider when harmonizing the moment of intervention of an IGS, i.e. the trigger(s)?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes triggers for IGS activation.

Q1b. *What are the advantages and disadvantages of harmonization of triggers? Please consider in your answer the distinction between the functions of an IGS, i.e. continuation of policies and compensation for losses, which could impact the timing of the IGS-triggering.*

- The trigger(s) cannot be harmonised as the appropriate trigger design depends on country-specific and company-specific circumstances as well as the concrete intervention case.

Q2a. *Should the trigger for an IGS-activation be the "failing or likely to fail" (FOLTF) decision?*

- No

Q2b. *Could there be other triggers?*

- No response

Q2c. Please explain.

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes any triggers for IGS activation.

Time for submission of claims

Q3a. Should the time available for policyholders to submit claims be harmonised?

- No

Q3b. Please explain.

- Member States' legal and operational contexts differ significantly. For instance, timelines in national insolvency law and claims verification requirements are extremely relevant in this context and differ substantially. This would go far beyond insurance regulation and would require harmonisation on a core level of national procedural and substantive civil law and would create unnecessary and unjustified burdens and costs.

Q3c. Do you agree that processes and outcomes (i.e. claims procedures and coverage) should roughly be similar across the EU?

- No

Q3d. Please explain, considering potential challenges.

- While comparable consumer outcomes are a legitimate objective, insisting that processes and outcomes be "roughly similar" risks ignoring national legal differences and may create unintended operational and/or legal friction. Differences can also reflect legitimate national policy choices. As mentioned above, this would go far beyond insurance regulation and would require harmonisation on a core level of national procedural and substantive civil law and would create unnecessary and unjustified burdens and costs.

Deadline for pay-outs

Q4a. Do you agree that every customer in similar situations across the EU should benefit from a similar pay-out time?

- No

Q4b. If yes, what would be major aspects to consider when ensuring a similar pay-out time across Member States?

- N/A

Q4c. *If no, please explain*

- We support the objective of timely payments to policyholders if there is a need for IGS. However, we do not agree that a similar pay-out time should be required across all Member States. In practice, pay-out speed depends on factors that vary by jurisdiction and case, especially on the applicable insolvency and administrative law and processes. Further, the type of insurance contract and claims verification requirements may also have an influence. In order to avoid unnecessary and unjustified burdens and costs, it should be left to Member States to find workable solutions within their national contexts.

Q4d. *Do you agree that levels of effective protection (operational elements and actual coverage) should roughly be similar across the EU?*

- No

Q4e. *If yes, what would be major aspects to consider when ensuring a roughly similar level of effective protection (operational elements and actual coverage) between Member States?*

- N/A

Q4f. *If no, please explain*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes any operational elements and actual coverage.

Q4g. *Are there any additional technical or operational aspects which would influence the time limits for certain policies or products?*

- No

Q4h. *Please explain.*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes any additional technical or operational aspects.

Conditions and timing for continuation of policies by IGS

Q5a. *Under which circumstances should IGS favour continuation of policies?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes any continuation of policies.

Q5b. *What should be the timeframe in which the continuation is ensured?*

- The timeframe should be determined in accordance with the chosen resolution strategy and operational feasibility. As mentioned above, a one-size-fits-all EU timeframe is not appropriate.

Place of IGS in insolvency ranking

Q6a. *Should IGS credits always have preferential treatment in winding-up processes, when they subrogate in policyholders' credits?*

- No response

Q6b. *What would be the main advantage or disadvantage?*

- To avoid unnecessary and unjustified burdens and costs, it is key to maintain the current national discretion on the establishment and the features of the IGS. This includes any preferential treatment in winding-up processes.

Equal policyholder protection

Q1: *Considering the currently fragmented landscape of IGS in the EU, with national schemes differing significantly in their set-up, scope and function and some Member States having no IGS at all, what would be alternative ways (other than minimum harmonization of IGS in the EU) to ensure equal policyholder protection across the EU, in particular for cross-border cases?*

- Before the details of an IGS are considered, it is necessary to determine *which problem is intended to be addressed*. Is the purpose to remedy a situation in which:
 - the customer does not receive payouts on the due date (cash-flow insolvency),
 - the customer never receives in full the payouts to which they are entitled under the contract or the law (balance sheet insolvency), or
 - the customer is no longer able to obtain an equivalent contract in respect of those personal insurance policies that require a health statement (continuity of insurance cover)?

- In any event, the most suitable and effective way to policyholder protection is to ensure strong and consistent supervision by competent authorities in the home state of cross-border players. We strongly oppose a burdensome additional harmonisation of IGS after the already far-reaching and costly IRRD.

- We do not consider heterogeneous IGS coverage in Member States as an impediment for the proper functioning of the internal market. In our view, these differences do not create an unlevel playing field which would require legislative intervention: The absence of an IGS is offset by lower premiums and the presence of an IGS results in higher costs for policyholders. In aggregate, policyholders are not in a significantly different position overall whether or not an IGS exists.

- Instead of harmonization of IGS, more effective and proportionate protection in cross-border cases can be achieved by:
 - enhancing the already strong Solvency II framework protection when the amendments to Solvency II ((EU) 2025/2) enter into force 30 January 2027, particularly through enhanced supervision of insurance companies conducting cross-border business and strengthened supervisory cooperation,
 - issuing EIOPA soft-law guidance on IGS, and
 - prioritizing preventive supervisory efforts across the EU, especially increased monitoring of cross-border insurers with rapid growth, unusually low premiums, or narrow product ranges.



Insurance Europe is the European insurance and reinsurance federation. Through its 39 member bodies — the national insurance associations — it represents insurance and reinsurance undertakings active in Europe and advocates for policies and conditions that support the sector in delivering value to individuals, businesses, and the broader economy.