Memo for information

To: Prudential Working group, International Affairs & Reinsurance Working group

From: Prudential team

Date: 30-04-2026

Reference: ECO-PRU-26-213

Subject: FSB publishes final guidance on scope of insurers subject to Recovery and Resolution Planning (RRP) requirements

Summary

On 29 April 2026, the Financial Stability Board (FSB) published its final report on the scope of insurers subject to Recovery and Resolution Planning (RRP) requirements under Key Attributes of Effective Resolution Regimes.

The report does not create new standards or revise Key Attributes. It provides structured guidance to help authorities determine which insurers should be subject to RRP requirements, building on existing materials.

The Guidance has not changed from the draft version published for consultation in November 2025. The explanatory comments have had minor adjustments, most notably:

- The deletion of a requirement to have a distinct piece of information for each of the six criteria to be evaluated.
- The deletion of references to the framework for banks when justifying the definition of critical functions used.
- The addition of a requirement to consider the impact of a potential critical function in the jurisdiction of the authority carrying out the assessment, rather than more widely.

Core framework

Authorities must assess whether an insurer "could be systematically significant or critical upon failure, or could have an impact on financial stability in the event of failure." That assessment should be based on six criteria, each evaluated distinctly:

- Nature,
- Scale,
- Complexity,
- Substitutability,
- Cross-border activities,
- And interconnectedness.

RRP requirements can be triggered by a subset of criteria, not all six need to be satisfied.

Notwithstanding that six-criteria analysis, RRP requirements should always apply where:

- An insurer provides **critical function** (provided to third parties, not substitutable within a reasonable time and cost, and whose sudden loss would materially impact the financial system and/or real economy);

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- Or its failure would **significantly affect the financial system and/or real economy**, including by materially affecting a large number of policyholders or causing systemic disruption or loss of confidence.

EU/IRRD relevance

The report explicitly references the IRRD throughout as an example of how FSB criteria are being operationalised, noting it will require Member States to assess all six criteria and to distinguish between full and simplified RRP requirements based on an insurer's risk profile. **The IRRD implementation deadline of January 2027 is referenced.**