

To: Prudential Working group
From: Prudential team
CC:
Date: 05-12-2025
Reference: ECO-PRU-25-102

Subject: IRRD Stop-the-clock - Meeting with EC and Albuquerque Cabinet

Summary

On 4 December 2025, the Secretariat met with Larisa Dragomir of the Albuquerque Cabinet and Yann Germaine and Florentijn Kloosterman of DG FISMA's Resolution and Deposit Insurance Unit to discuss Insurance Europe's call for a **stop-the-clock for the Insurance Resolution and Recovery Directive (IRRD)**.

The discussion covered the following main points:

- Given the lack of political momentum, there was **no appetite from the Commission representatives present to reopen the Level 1 texts**.
- The **Commission has discussed implementation flexibility with EIOPA**, who have indicated they are open to discussion, particularly given the current simplification agenda. They noted that it is difficult to reduce burden when implementing a new framework, but they do not think the current proposals are overdone.
- The **timing of implementation** coinciding with the Solvency II review implementation was an intentional choice. They are not supportive of a timing delay that would allow some jurisdictions to implement before others as this may lead to fragmentation, although they note that **some countries are more advanced than others** at present.
- The expectation is that, similar to the experience with CCP and banking, there will be **an initial period of implementation with iterative discussions**, followed by development to refine the approach as experience builds over time.
- The secretariat raised the levels of funding proposed in some markets in light of the lack of use cases for the IRRD: DG FISMA confirmed that **they see the current plans as proportionate to the risks**.
- While they acknowledge that key items such as which companies are in scope and what critical functions will remain unclear, DG FISMA are keen to retain what they see as **principles-based flexibility** rather than being prescriptive.
- In relation to **Insurance Guarantee Schemes (IGS)**, DG FISMA note that they currently often see countries establishing IGS after a disorderly failure and they view it better to be prepared. They anticipate that both the Commission and EIOPA will have a public consultation on the topic, but the timing of this is not yet known.

Next steps

- Secretariat and Members to continue advocacy, particularly at the national level, to build political support for the stop-the-clock proposal. This will be discussed in the upcoming PAC meeting on 16 December.
- Secretariat to co-ordinate responses to the upcoming IGS public consultations.