Memo for information

To: Solvency II WG
From: Prudential Team
cc:
Date: 27-06-2025
Reference: ECO-SLV-25-243

Subject: Meeting Information - EC/IE exchange on IRRD and IGS

Summary

Members will find below the key takeaways from the secretariat's recent exchange on 27 June with the European Commission on the Insurance Recovery and Resolution Directive (IRRD), Insurance Guarantee Schemes (IGS) and other resolution topics.

The meeting covered the upcoming EC report on potential IGS harmonisation, the ongoing EIOPA IRRD consultations and discussions regarding funding for both.

Should members have any questions please contact prudential@insuranceeurope.eu

Meeting details

General Takeaways

- The EC was open and transparent in the exchange.
- The first EGBPI transposition workshop on IRRD held on 11 June was a success and the second workshop has been moved up to October 2025 in light of stakeholder requests.
- EC welcomes industry input into their upcoming report on IGS in advance of launching a consultation in late 2025.

IRRD

- EGBPI workshop has **increased engagement**. The next session has been moved up to October due to demand and will have a **deeper focus on resolution funding**.
- DG FISMA have no appetite for any simplifications that require reopening Level 1, such as reducing the minimum market coverage. DG FISMA does not consider the minimum market coverage requirements as being burdensome – according to EIOPA analysis **c.100/120 groups/companies are anticipated in scope of pre-emptive recovery planning**.
- The **scope of critical functions is deliberately wide** to allow national authorities the freedom to consider any function they see as appropriate.
- While DG FISMA acknowledge there is some **lack of clarity between resolution and insolvency**, they are separate. Insolvency can be referenced in resolution plans, but this **does not preclude resolution actions being taken** if necessary.

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IGS

- DG FISMA are currently in the planning stages of their report **assessing the state of play on IGSs,** as required by the IRRD. It is keen to take a 'business-focussed' approach, looking to **reduce fragmentation in national markets**,.
- The aim is to **enhance competition** by making cross border work easier and **make IGS workings operationally easier**, as well as enhancing policy holder protection.
- Potentially DG FISMA will consult on requiring the **establishment of an IGS** if one does not already exist and set **minimum features and scope for IGSs**.
- DG FISMA invited **Insurance Europe to provide initial views** to feed into their work. The secretariat will contact members to progress this.

Funding

- Views on funding for both IRRD and IGSs continue to evolve. DG FISMA support **finding a balance between ex-ante and ex-post funding** given a wide range of stakeholder views. They also see IGS and resolution funding working together rather than leading to double funding.

Upcoming dates

- **After summer 2025:** EC IGS workshop
- **October 2025:** EGBPI second IRRD transposition workshop
- **Late 2025:** EC Consultation on IGS
- **Early 2026:** Public event on IGS in support of consultation