insurance europe

Memo for information

To: Prudential Working group
From: Prudential team
cc:
Date: 22-05-2026
Reference: ECO-PRU-26-244

Subject: Meeting with DG FISMA – IGS and RTS Timelines under IRRD

Summary

The Secretariat met with Florentijn Kloosterman and team (DG FISMA) to exchange views on EIOPA's recently published batch of draft RTS and Guidelines under the Insurance Recovery and Resolution Directive (IRRD), and to discuss the European Commission's (EC) perspective on the next steps for their implementation. The meeting also provided an opportunity to check in on the EC's work on minimum harmonisation of Insurance Guarantee Schemes (IGS), considering EIOPA's draft advice currently under consultation.

Overall, the discussion was positive in tone: however, there was no appetite to amend the draft RTS provided by EIOPA. The EC reiterated that they expect the implementation of the IRRD to be a gradual, iterative process, but were reluctant to confirm this in a more formal setting eg. a formal statement of these expectations.

Based on the discussions with COM, the Secretariat proposes to discuss the approach to IRRD simplification advocacy at the upcoming Prudential Working Group and Ecofin Committee meetings.

The discussion was structured around several key themes, detailed below.

<u>IRRD</u>

- <u>Implementation:</u>
  - The Secretariat provided an overview of members' latest developments, noting a significant divergence in progress across jurisdictions and emphasising members' interest in ensuring that the framework is appropriately tailored to national market specificities.
  - The EC noted that a "stop-the-clock" on IRRD implementation is not foreseen. However, **EIOPA is currently assessing the practical implementation of the framework**, including arrangements for a more granular phase-in.
  - **The Commission indicated that the timing for the first recovery and resolution plans remains under discussion between EIOPA and national authorities**, with several authorities already outlining their intended approaches. The EC stressed that the IRRD provides Member States with **flexibility** in organising planning activities and does not require all plans to be in place within one year.
  - The EC underlined that **decisions on phasing-in timelines largely rest with national authorities**, and therefore cannot be centrally defined at EU level.

- <u>Level 2 measures (RTS/ITS):</u>
  - **The EC indicated that EIOPA is significantly ahead of schedule**, currently estimated at around six months in advance
  - **The EC provided an overview of the expected timeline:**

Prudential team •
Insurance Europe aisbl • Rue du Champ de Mars 23, B-1050 Brussels
Tel: • E-mail:

- The first batch of EIOPA draft RTS and Guidelines, published in February, is well advanced within the Commission. Adoption is expected before the summer, followed by the scrutiny period by the Council and the European Parliament, with **final publication likely after the summer**.
    - The second batch of draft RTS and Guidelines is expected to be delivered **by the end of the year** (indicative timeline).
    - The third batch of draft RTS is expected to be submitted by EIOPA to the Commission in **July**.
    - The final batch of draft guidance will be published for consultation by EIOPA in the summer.
  - **The EC underlined the high threshold for amending EIOPA's proposals**, noting that changes are primarily limited to legal drafting, with intervention limited to cases of manifest incompatibility with EU law, and that it has **limited scope to alter the substance**. The Commission also highlighted its close involvement throughout the process and expressed confidence that any legal issues would have already been identified.
  - The EC underlined that EIOPA has sought to consult stakeholders balance the various interests at stake, further noting that, compared to the banking framework, the resulting regime remains significantly lighter.
  - The EC emphasised that planning and timelines for enforcing the **60% minimum market requirement** remain the responsibility of national authorities, while the overall objective is to **progressively** move towards meeting this threshold.
  - **The Commission also recalled the clear distinction between recovery plans and resolution plans**, highlighting that resolution plans are developed by resolution authorities, which are not always yet in place, as their establishment depends on the law to be drafted.

- <u>Reporting requirements:</u>
  - **The reporting templates were discussed, including the implementation timeline**; the EC indicated that, although an earlier version of the act contained a binding timeline, this was removed as it was not considered consistent with the flexibility provided under the Directive and the timeline is an area of national flexibility.
  - **The EC further indicated that removing some of the reporting templates would not be possible**. While acknowledging the strong stakeholder feedback on this point, it stressed the view that a single set of reporting templates, co-ordinated at EU level is better than a patchwork of 27 different templates which would ultimately need to be converged at some point in the future.
  - The Commission also noted that while other jurisdictions may not require regular reporting, they would more than likely require ad-hoc data requests from companies. The need for more structured reporting could therefore be considered as a feature of the European set up.
  - **The EC underscored that supervisors expects perfect reporting from the outset, emphasising that this will be a process of learning and dialogue**. In the first year, it will be normal for national supervisors to raise questions and identify incomplete submissions.
    - The Secretariat noted that, based on the experience of the EIOPA stress testing, it is unlikely that "best efforts" reporting – even in the first years - would be acceptable to the NRAs/NSAs/EIOPA. The Commission indicated that it would welcome updates on this in the coming years, stressing that the objective is to develop strategies and plans rather than focus solely on specific data point or numerical outputs.
    - **The Secretariat suggested that a formal statement from the Commission or EIOPA to signal to the market that the implementation is expected to be a multi-year endeavour and the first years are a learning process**. However, the Commission did not see a need for such a statement and questioned its legal basis, emphasising instead that this aspect is already addressed through ongoing dialogue with key stakeholders, including EIOPA.
  - **The Secretariat raised the issue of new additional burdens being included in the Level 2 texts, which go beyond the Directive requirements, notably playbooks. The EC clarified that the IRRD does not mandate the development of playbooks, nor does it preclude them, leaving this decision to national authorities**. It noted that many Member States are unlikely to prioritise this in the initial years, but may address it at a later stage. The Commission also indicated that this issue

could be further discussed at EIOPA level, which may lead to a rationalisation of requirements in individual markets.

IGS

- The Secretariat enquired about the data on actual insurance failures and costs for policyholders that the Commission had requested from EIOPA, stressing the importance of this data for the discussion on potential harmonisation of IGS. **The Commission indicated that only EIOPA's advice will be made public**, with the supporting information (including details of historical failures) likely to remain largely confidential. However, it will engage with EIOPA to determine what can be disclosed. It also noted that EIOPA's data set was not complete.
- **On funding, the Commission indicated it would be open to an ex-post approach, while recognising that some stakeholders, including some industry, prefer ex-ante funding**; a hybrid with some ex-ante elements could therefore be envisaged.
- The Secretariat noted that a zero-risk regime would be very costly, stressing that Solvency II already covers most risks and questioning whether harmonising IGS would fully address cross-border issues.
  - The Commission acknowledged that further input from the industry on the link between IGS and resolution funding would be valuable.
  - The Secretariat highlighted the need to assess the issue in quantitative terms and to estimate the compliance costs for companies.
- **The Commission indicated that it is premature to determine whether a legislative proposal will follow**, noting that the focus remains on the report to be issued by January next year.