8 July 2026

To:
Simon Harris, TD, Chair of the Economic and Financial Affairs Council
Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy
Maria Luís Albuquerque, Commissioner for Financial Services and the Savings and Investments Union
Valdis Dombrovskis, Commissioner for Economy and Productivity, Implementation and Simplification
Aurore Lalucq, MEP, Chair of the European Parliament's Economic and Monetary Affairs Committee

Cc:

Petra Hielkema, Chair of EIOPA

Subject: Concerns regarding the implementation of the Insurance Recovery and Resolution Directive

Dear Minister,
Dear Executive Vice-President,
Dear Commissioners,
Dear Chairs,

On behalf of the chair of the **Pan European Insurance Forum (PEIF)** and its members[1], *the President of **Insurance Europe** and the Chairs of the **CFO Forum**[2] and **CRO Forum**[3]*, we reaffirm our strong commitment to the protection of policyholders and beneficiaries, to the competitiveness of the European insurance and reinsurance sector, and to the stability of the wider European financial system. In this spirit, we welcome the objectives of the **Insurance Recovery and Resolution Directive (IRRD)**; to address the rare instances of severe distress to bolster confidence and support orderly outcomes.

The insurance sector has always supported a phased and proportionate implementation of a European recovery and resolution framework, for example, via Insurance Europe's call for a Stop-the-Clock and practical suggestions to simplify and improve the IRRD. As we move towards

[1] *The Pan-European Insurance Forum (PEIF) is a forum for the CEOs of major European insurers (Allianz, AXA, GENERALI, MAPFRE, Munich Re, NN, Swiss Re, UNIQA and Zurich) to exchange and present views on policy and regulatory issues impacting the European insurance sector. PEIF aims to promote a better understanding and recognition of the role of the insurance business model in the European Union and to provide its Members with the opportunity to discuss major policy and strategic issues affecting the insurance business in Europe and worldwide.*
[2] *The CFO Forum is a high-level discussion group formed and attended by the Chief Financial Officers of major European listed, and some non-listed, insurance companies.*
[3] *The CRO Forum is a high-level discussion group formed and attended by Chief Risk Officers of major European listed, and some non-listed, insurance companies.*

actual implementation of the IRRD, we are increasingly concerned about the disproportionate requirements relative to the risks and benefits.

Indeed, we are increasingly concerned that the current implementation timetable, excessive additional reporting requirements added at Level 2 and 3, as well as extensive ex-ante financing requirements are at odds with the IRRD's core objectives and the EU's competitiveness and simplification agendas.

Unless addressed, these issues risk undermining the objectives of the IRRD and the Solvency II Review, while creating unnecessary complexity and costs that are inconsistent with the aforementioned priorities.

We believe that the IRRD can be transformed into a much more effective and balanced framework with a set of straightforward reflections. Beyond the request to address some fundamental issues through a Stop-the-Clock, we have identified three issues to which we would like to bring your attention.

1. We urge the Commission and EIOPA to enshrine a proportionate, simplified regime through targeted changes to the draft Level 2 and 3 Regulations. A phased-in approach is desired where the IRRD is implemented step-by-step over time and would be able to leverage the planned IRRD review in 2030-2032 to avoid unnecessary implementation costs of a gold-plated regime. In our view this can build on:

    - A uniformed, phased and proportionate timeline, avoiding a "cliff-edge" go-live. This will enhance quality, consistency and operational readiness for firms, supervisors and resolution authorities alike. It means a focused, essential-only approach on critical function identification, impediment assessments, scenarios, indicators, which should be adopted rather than a gold-plating including every theoretical possibility type of approach that is currently foreseen in Level 2 and 3.

    - A "reuse first" approach, systematically leveraging existing Solvency II information, processes and governance wherever possible. New operational requirements, such as playbooks, should be significantly reduced. A material reduction in new, routine reporting and operational requirements would be in line with the Commission's simplification agenda and the minimum harmonization nature of the IRRD.

    - Avoid requiring solo plans on top of a group plan as well as including detailed solo analysis in a group plan, as the expected workload and reporting-burden will become unreasonable and it would undermine the effectiveness of the mutualization insurance groups provide. It is essential to preserve a coherent group-wide perspective and prevent undue reporting burdens that add little resilience value for cross-border groups.

In supervisory practice, resolution must be based on a rigorous assessment of substitutability and systemic impact, that, if applied credibly, anchors resolution firmly to genuine public need. It should be recognized that critical functions are very rare within the insurance sector with limited interconnectedness, broad competition and the benefit of diversification.

2. We are fully committed to contributing to financial stability. Yet stability is best preserved when the IRRD does not inadvertently incentivise risk-taking behavior or business models that rely on implicit expectations of regulatory backstops. Such behavior may be encouraged by an overly broad resolution safety net, with the resulting costs socialized through sector-wide charges and levies that fall disproportionately on disciplined, well-managed firms.

To avoid this scenario, the IRRD should be accompanied by clear supervisory emphasis on market discipline and preventive intervention, including a consistent scrutiny of aggressive growth strategies to initiate and support timely, proportionate action.

3. As Member States advance national implementation - particularly on resolution funding - we are seeing divergent figures and approaches across markets. It is essential that national regimes reflect the rare nature of resolutions in insurance and the reality that insurance sector failures, contrary to the banking sector, historically play out over much longer periods of time.

Unless calibrated and coordinated with care, excessive ex-ante, pre-funded resolution funding across the single market risks fragmenting the regime and imposing significant, recurring charges and increase the moral hazard in the insurance sector.

Indeed, in practice, the new provisions and preventive tools will operate alongside conservative asset-liability management and balance-sheet profiles. A focused approach is needed on insurers critical for their local markets to prevent overly expensive solutions and to avoid moral hazards in line with point 2.

Additionally, the Solvency II Review explicitly seeks to unlock capital for long-term investment in the EU’s real economy. Where ex-ante resolution funding or excessive administrative costs offset that benefit in a material way, the sector’s ability to channel additional capital into EU priorities is reduced, thereby undermining one of the key objectives of the Solvency II Review: unlocking additional capital for investment in Europe's economy.

We remain fully committed to working with the Commission, EIOPA and Member States to ensure that implementation of the IRRD remains proportionate, practical, minimizes moral hazard and fully aligned with Europe's competitiveness and simplification objectives.

Yours sincerely,

Philippe Donnet, Generali

PEIF Chair

Frédéric de Courtois

Insurance Europe President

Cristiano Borean, Generali

CFOF Chair

Françoise Gilles, AXA

CROF Chair