insurance europe

Memo for information

To: Prudential Working group
From: Prudential team
cc:
Date: 05-03-2026
Reference: ECO-PRU-26-126

Subject: Secretariat Assessment - EIOPA Batch 1 IRRD Guidance

Background

On 16 February 2026, EIOPA published the first batch of guidelines and draft technical standards related to the IRRD. These cover:

- Content of **pre-emptive recovery plans**
- Criteria for **pre-emptive recovery planning requirements** and methods to be used when **determining the market shares**
- Content of **resolution plans and group resolution plans**
- Criteria for the **identification of critical functions**
- **Assessment of resolvability**
- Measures to remove **impediments to resolvability**

Overall, these **partially reflected industry's feedback** with the RTS on the content of pre-emptive recovery plans seeing most feedback reflected, while other documents (particularly the Guidelines on identification of critical functions and removal of impediments to resolvability) were not materially amended. While any reduction in scope is a positive step, it **does not represent a material change in the likely future burden posed by IRRD**.

For all documents, industry's feedback that a **quantitative cost assessment was needed was rejected**, with EIOPA noting that their scope only allows for assessing the impact of Level 2 policy options and not the IRRD itself. They state that "a quantitative assessment of the costs associated with different policy options is not feasible due to the difficulty in monetizing administrative costs, which are influenced by various factors such as organizational efficiency and labour costs".

Members are invited to provide any **comments or questions on the assessmen**t by email to **prudential@insuranceeurope.eu by COB Friday 13 March 2026.**

Summary

Annex I is a comparison of the RTS on the content of pre-emptive recovery plans (here) to the industry response (ECO-SLV-25-306).

- The revised RTS mostly reflects industry feedback, with notable improvements being:
  - Removal of inclusion of critical functions in pre-emptive plans
  - Removal of requirement to cover all points of Art 5(6) IRRD in the report summary
  - Addition of an article explicitly addressing that references to other supervisory documents.
- Other comments (e.g. on timing of first plans and requirement to include a 10-year history of SCR breach recovery plans) were not incorporated.

Annex II is a comparison of the RTS on the criteria for pre-emptive recovery planning requirements and methods to be used when determining the market shares (here) to the industry response (ECO-SLV-25-305).

- The revised RTS acknowledges feedback around diversification being seen as negative by introducing two new Recitals discussing how the complexity of cross-border business should be offset against its benefits and providing further detail on how the number of counterparties should be viewed.
- However, the Articles covering these points have not been amended.
- Other comments (e.g. on frequency of update, treatment of subsidiaries and third countries, and use of relative language) were not incorporated.

Annex III is a comparison of the RTS on the content of resolution plans and group resolution plans (here) to the industry response (ECO-SLV-25-302).

- The only feedback point reflected is the addition of a new Recital stating that resolution authorities' powers to determine simplified obligations are not precluded by minimum content rules.
- All other comments (e.g. on reinsurance, requirements for group plans, requirement for a stakeholder-specific communication strategy) were not incorporated.

Annex IV is a comparison of the Guidelines on the criteria for the identification of critical functions (here) to the industry response (ECO-SLV-25-307).

- Other than providing some additional commentary on the rationale for IGS not being considered in the assessment of critical functions, none of industry's feedback has been reflected.
- In particular, the breadth of scope and the non-exhaustive list of potential critical functions have been retained.

Annex V is a comparison of the Guidelines on the assessment of resolvability (here) to the industry response (ECO-SLV-25-303).

- The revised RTS reflects some of industry's less complex feedback, with changes being made in relation to:
    - Removal of requirement to consider multiple alternative resolution strategies
    - Amending wording to clarify that reinsurance is not a barrier to resolution
    - Removal of references to short timelines
    - Removal of requirement for internal audit review
- However, key points around potentially onerous requirements such as playbooks, the interaction with Solvency II and use of "could consider" rather than "should consider" throughout have not been addressed.

Annex VI is a comparison of the Guidelines on the measures to remove impediments to resolvability (here) to the industry response (ECO-SLV-25-304).

- None of industry's feedback has been reflected. Issues raised around impact on Business as Usual, interaction with Solvency II and use of "could consider" rather than "should consider" throughout were explicitly rejected by EIOPA.

Annex I: RTS on content of pre-emptive recovery plans

Insurance Europe Request	Status	Notes
Removal of critical functions from recovery plans	**Addressed**	This has been removed throughout.
Language of recovery plans	**Addressed**	Language requirements have been removed throughout.
Consistency with international standards	**Not addressed**	Not explicitly addressed.
Timing of first recovery plans	**Not addressed**	EIOPA have stated this is outside of their mandate.
Insurance group issues	**Not addressed**	Solo and group plans continue to be addressed simultaneously: EIOPA state this is to avoid duplication, to achieve a more structured approach and in line with the principle of simplification.
Lack of quantitative cost assessment	**Not addressed**	EIOPA note that they only assess the impact of Level 2 policy options not the IRRD itself and "a quantitative assessment of the costs associated with different policy options is not feasible due to the difficulty in monetizing administrative costs, which are influenced by various factors such as organizational efficiency and labour costs".
Cross - references to be explicitly allowed	**Addressed**	A new article has been added explicitly addressing that references to material submitted to supervisory authorities may be used, providing completeness and quality are not compromised. No specific documents (e.g. ORSA) are mentioned.
RTS should refer to 'parents' rather than 'ultimate parents'	**Not addressed**	RTS consistently uses 'ultimate parent undertaking' throughout.
Add definitions for 'Governance Structure' and 'Stakeholders'	**Not addressed**	No new definitions added and existing definition of 'remedial action' removed – possible error.
Art 2: Reducing mandatory scope of report summary	**Addressed**	The requirement to cover all of points (b) to (g) of Art 5(6) IRRD in the summary is removed.
Art 4: Framework of indicators to be simplified	**Partially Addressed**	Description has been shortened and made more general. In particular, reference to SCR breach has been removed. However, requirements for indicators at subsidiary level, and requirement to explain the rationale for each trigger remain.
Art 5: Reduce detail on how the plan is drawn up	**Addressed**	Reduced level of detail on the role and persons responsible for each section and reference to external auditors removed. However, requirement to identify functions responsible by section remains, and there is no change to the frequency requirement to emphasise every two years is the norm.

Insurance Europe Request	Status	Notes
Art 6: Level of detail on remedial actions should be reduced	**Partially Addressed**	The overall level of detail remains: however, our specific request that it should not be mandated that extraordinary remedial measures be considered has been addressed. The requirement for valuation assumptions remains, but that for the achievable value and marketability has been removed.
Art 7: Remove requirement for tailored and scenario specific communication strategies	**Addressed**	There is now a simpler obligation for 'timely and accurate dissemination of information to internal and external parties'. The detailed resource planning requirement was removed.
Art. 8: No need to replicate past SCR breach recovery plans and 10-year history is excessive	**Not addressed**	Past recovery plans must still be included if SCR was breached in last 10 years.

Annex II: RTS on criteria for pre-emptive recovery planning requirements and methods to be used when determining the market shares

Insurance Europe Request	Status	Notes
Branches / subsidiaries **shall** be taken into account	**Not addressed**	EIOPA maintained the permissive 'may' language from the Directive and stated it cannot strengthen language beyond Level 1 text.
Add a statement that above 60% coverage is only in exceptional cases	**Not addressed**	EIOPA noted that such a statement would be outside the mandate of the RTS
Frequency of update of market coverage level	**Not addressed**	Not explicitly addressed.
Reword to avoid implying diversification is negative	**Partially Addressed**	The relevant articles have not been amended: however, EIOPA have added two recitals noting that: 1. In relation to cross-border business, the trade off between the complexity of crisis management and the benefits of cross-border diversification should be considered, particularly for lines of business where the global nature of the market provides efficiency and resilience. 2. The number of counterparties should be assessed in the context of how a failure could impact numerous interconnected entities.
Lack of quantitative cost assessment	**Not addressed**	EIOPA note that they only assess the impact of Level 2 policy options not the IRRD itself and "a quantitative assessment of the costs associated with different policy options is not feasible due to the difficulty in monetizing administrative costs, which are influenced by various factors such as organizational efficiency and labour costs". However, it should be noted that a relative qualitative comparison of the costs associated with the various policy options has been added.
Impact assessment should tabulate least number of undertakings to fulfil 60% requirement	**Not addressed**	EIOPA stated it could only provide a partial table which would not give a complete picture
RTS should refer to 'parents' rather than 'ultimate parents'	**Not addressed**	RTS consistently uses 'ultimate parent undertaking' throughout.
Recital 2: Remove 'for example' to increase certainty around 'total assets' metric	**Addressed**	'For example' wording removed and replaced with 'notably'.
Recital 3: Clarify subsidiaries not subject to recovery planning due to third-country group plan	**Not addressed**	No changes made.

Insurance Europe Request	Status	Notes
should count toward market coverage		
Addition of recital on specificities of reinsurance cross-border business (diversification not = risk)	**Addressed**	Recital added noting that the trade off between the complexity of crisis management and the benefits of cross-border diversification should be considered, particularly for (re)insurance lines of business where the global nature of the market provides efficiency and resilience.
Use of relative terms ('larger', 'riskier', 'high') may result in lack of harmonisation across EU	**Not addressed**	EIOPA confirmed wording is consistent with the Directive's minimum harmonisation framework
Art. 1 (Size): GWP and technical provisions should be scoped to EEA activities only	**Not addressed**	No changes made.
Art. 3 (Risk profile): Wording of Art. 3(2) (SCR) and 3(3) (ORSA) allows far-reaching interpretations	**Not addressed**	No changes made.
Art. 4 (Interconnectedness): Financial strength of parent company should be a criterion for intra-group exposure risk	**Not addressed**	No changes made.
Art. 5 (Substitutability): Inconsistency between Art. 5(1) (products/policies) and Art. 5(4) (activities)	**Addressed**	Art. 5(4) aligned to refer to 'products or policies' consistent with Art. 5(1).
Art. 5(3): No safeguard against small/non-complex undertakings being in scope	**Not addressed**	Background continues to reference that SNCUs are out of scope in the IRRD Art 5(3), but no change to Article 5.
Art. 7(1): Remove 'as well as by the subsidiary undertaking'	**Not addressed**	Wording removed from Art 7(1), but new Art 7(2) introduced that retains the requirement to carry out the evaluation for subsidiaries.

Insurance Europe Request	Status	Notes
Art. 7: EUR 15m GWP threshold (Art. 152aa SII) applied in absolute terms is inappropriate; relative proportion should also be considered	**Not addressed**	No changes made.
Art. 8(1): Reference should be 'Article 2 to Article 7' not 'Article 8'	**Addressed**	Correction made.

Annex III: RTS on content of resolution plans

Insurance Europe Request	Status	Notes
Reinforce importance of proportionality, especially for simpler or less systematically important insurers	**Partially Addressed**	New Recital 3 explicitly states that resolution authorities' powers to determine simplified obligations are not precluded by minimum content rules. However, the minimum content scope remains in place and no flexibility given around this.
Adopt a multi-year, stepwise implementation approach, in line with BRRD	**Not addressed**	Not explicitly addressed.
Deep dive on information required by NRAs in resolution plans, based on IAIS guidance, giving clear boundaries on powers to request information	**Not addressed**	Not explicitly addressed.
Further details on simplified obligations	**Addressed**	New Recital 3 explicitly states that resolution authorities' powers to determine simplified obligations are not precluded by minimum content rules. There is no guidance given on these obligations which are left to resolution authorities.
Lack of quantitative cost assessment	**Not addressed**	EIOPA note that they only assess the impact of Level 2 policy options not the IRRD itself and "a quantitative assessment of the costs associated with different policy options is not feasible due to the difficulty in monetizing administrative costs, which are influenced by various factors such as organizational efficiency and labour costs". However, some qualitative discussion of the costs associated with the various policy options has been added.
RTS should refer to 'parents' rather than 'ultimate parents'	**Not addressed**	No specific mention of parent undertaking
Addition of recital on specificities of reinsurance cross-border business (diversification not = risk)	**Not addressed**	EIOPA notes that IRRD Art 9(2) states that cross-border activities should be taken into account when determining whether a resolution plan is needed. While these are not a risk by nature, authorities need to have a complete overview of cross-border activities so they can assess case-by-case if they might be a risk.
No requirement for consistency with approach taken for banks	**Partially Addressed**	Background analysis amended to clarify that while insurance crises are generally slower than for banks, there is still potential, and need to prepare, for fast-moving scenarios. No changes to approach / body of RTS.
Provide resolution plan templates to reduce costs and promote uniformity	**Not addressed**	Not explicitly addressed.

Insurance Europe Request	Status	Notes
Art 1: Definition of relevant services should be aligned with scope of business continuity management	**Not addressed**	No changes made.
Art 1: Reference to "reinsurance services" should be removed	**Not addressed**	No changes made.
Art 1: Reference to "any other services" is too broad and should be removed	**Not addressed**	No changes made.
Art. 2: Clarify meaning of "critical interdependencies" and "preliminary public interest assessment"	**Not addressed**	No changes made.
Art. 2: Remove duplications, both internal and with IRRD	**Not addressed**	No changes made.
Art. 2(1)(e)(v): Insert "if any" to clarify potential funding sources may not be available	**Not addressed**	No changes made.
Art. 2(1)(f)(ii): Remove requirement for a stakeholder-specific communication strategy	**Not addressed**	No changes made.
Art. 2(1)(g)(iv): Remove term "challenges to resolvability"	**Not addressed**	No changes made.
Art. 2(2): Requirement to include background in annexes should be restricted to key information	**Not addressed**	No changes made.
Art 3(1): Clarification that contents of group resolution plan taken from solo level should be aggregated	**Not addressed**	No changes made.

Insurance Europe Request	Status	Notes
Art 3(1)(a)(iii): Wording should refer only to groups	**Addressed**	Wording clarified.
Art 3(1)(a)(ii): Wording should clarify that only EEA (re)insurance undertakings are included	**Not addressed**	No changes made. EIOPA notes the scope of undertakings subject to resolution planning is out of its legal mandate as it is covered by Recital 17 and Articles 1 and 9(2) of IRRD.
Art 3(1)(e): Should be amended to clarify reference is to external essential service providers	**Not addressed**	No changes made.

Annex IV: Guidelines on criteria for the identification of critical functions

Insurance Europe Request	Status	Notes
NRAs should have discretion to conclude there are no critical functions	**Not addressed**	Not explicitly addressed.
Scope too broad and including any function provided to third parties	**Not addressed**	EIOPA state that they have "followed closely the definition of critical functions as stipulated in Article 2(25) of the IRRD". They note that concerns over the breadth of scope have been expressed by "Most of the stakeholders, including the IRSG".
Assessment should be carried out at undertaking level	**Not addressed**	Not explicitly addressed.
Clarify interaction with DORA	**Not addressed**	Not explicitly addressed.
Lack of quantitative cost assessment	**Not addressed**	Not explicitly addressed.
Para 1.3: Reword to address reinsurance specificities, in particular that FSB does not identify reinsurance as a critical function.	**Not addressed**	EIOPA note that the Level 1 text and Guidelines do not make a distinction either between insurance and reinsurance undertakings nor by the insurer's legal form. EIOPA acknowledges that reinsurance is mainly a business-to-business activity, inherently cross-border and has no direct impact on policyholders. This, however, does not mean that reinsurers cannot perform critical functions. They do not address the point that reinsurance in and of itself should not be a critical function.
GL1: Clarification needed that all criteria in the Directive need to be met for a function to be critical	**Not addressed**	Not explicitly addressed.
GL1, Para 1.13: Investing in and lending to the real economy and reinsurance, along with non-insurance-specific activities are not critical functions	**Not addressed**	Not explicitly addressed.
GL2: Impact assessment should not have to be carried out separately for each Member State.	**Not addressed**	Not explicitly addressed.

Insurance Europe Request	Status	Notes
GL3: Clarity needed on why IGS should not be considered	**Addressed**	EIOPA note that under IRRD the effect of an IGS falls under either the resolvability assessment or the public interest test and is not part of the critical functions identification process.
GL5: Assumption should be a partial stop, in line with impact assessment	**Not addressed**	EIOPA note that a "partial stop" is more realistic from an economic perspective, but that continuity of a critical function does not mean it is not critical. A "full stop" as a default assumption ensures consistency across resolution authorities.
GL5, Para 1.18 and GL 7: Wording should be clarified to reflect assessment is at undertaking level	**Not addressed**	Not explicitly addressed.
GL 8, Para 1.27(b): clarification needed whether this focuses on availability of coverage or loss of confidence in its availability.	**Not addressed**	Not explicitly addressed.
Explanatory text: non-exhaustive list of potential functions serves limited purpose and should be removed	**Not addressed**	List remains. EIOPA comment "The Explanatory Text aims to accompany the text of the Guidelines, by providing a non-binding list of potential critical functions, for illustrative purposes only. These functions that may potentially be eligible for criticality aim at guiding resolution authorities in their assessment and decision."

Annex V: Guidelines on criteria for the assessment of resolvability

Insurance Europe Request	Status	Notes
Excessive and disproportionate burden on undertakings	**Not addressed**	EIOPA note that the dimensions of the assessment are directly taken from the IRRD Annex, and that requirements are deliberately less than for banks. They note that concerns over the level of burden have been expressed by "Most of the stakeholders, including the IRSG".
Lack of quantitative cost assessment	**Not addressed**	Not explicitly addressed.
Clarify how information required interacts with reporting requirements	**Not addressed**	Not explicitly addressed.
Responsibility for demonstrating feasibility and credibility should not sit with insurers	**Not addressed**	Not explicitly addressed.
Clarify how guidelines should be proportionately applied	**Not addressed**	Not explicitly addressed.
State clearly that guidelines should not be applied where normal insolvency is expected to be used	**Not addressed**	Not explicitly addressed.
Modify wording to give more flexibility: "resolution authorities could consider"	**Not addressed**	Not explicitly addressed.
Demonstrate how requirements for eligible liabilities interact with Solvency II	**Not addressed**	Not explicitly addressed.
Clarify for conglomerates that IRRD planning only applies to highest insurance entity in the group	**Not addressed**	Not explicitly addressed.
Introduction: align definitions with other RTS / GL	**Addressed**	Definitions now refer to other RTS / GL where relevant.

Insurance Europe Request	Status	Notes
GL1 Para 1.5: Amend wording on ongoing cooperation and dialogue	**Addressed**	This paragraph has been removed.
GL1 Para 1.6: Amend wording to avoid requiring multiple alternative strategies	**Addressed**	Wording amended to make clear a single alternative can be identified.
GL1 Para 1.9: wording on reinsurance should be amended to clarify that it is not a barrier to resolution by default	**Addressed**	Wording amended as requested.
GL 3: wording on third countries should be amended to reflect that IRRD is an EU framework	**Not addressed**	Not explicitly addressed.
GL4, Para 1.20: List of items suggested are potentially very onerous and need clarification. Should be clarified that these must be limited to what is strictly necessary	**Not addressed**	EIOPA have added a note that list of items should be considered "especially once resolution plans have reached a certain level of maturity", but no other amendments or clarifications.
GL5: should note that not all groups provide critical functions	**Not addressed**	Not explicitly addressed.
GL5: clarity needed around parameters for monitoring performance of service provision	**Not addressed**	Not explicitly addressed. Should be noted that some detail has been removed from this guideline around the content of documentation.
GL7: requirement to analyse market capacity to absorb transfer perimeter and identification of specific counterparties should be removed	**Not addressed**	Requirement remains. The section about identifying available opportunities to improve the transfer perimeter has been removed.

Insurance Europe Request	Status	Notes
GL8 / GL9: remove reference to short timelines	**Addressed**	Reference to "at short notice" amended to "within a reasonable timeframe" and requirement to consider timelines "from overnight" removed.
GL9: requirement to estimate liquidity needs in resolution adds complexity	**Not addressed**	Not explicitly addressed.
GL 11: reference to "local language" should be removed	**Not addressed**	Not explicitly addressed.
GL 11: should be clarified that communication strategy should only cover aspects not reflected in pre-emptive recovery plan	**Not addressed**	Not explicitly addressed.
GL 12: Reference to internal audit should be removed	**Addressed**	Reference removed as requested.

Annex VI: Guidelines on measures to remove impediments to resolvability

Insurance Europe Request	Status	Notes
Separate guideline required to clarify that alternative measures should be exceptional	**Not addressed**	EIOPA note that "sufficient safeguards are provided in the IRRD itself, where the exceptional nature of the measures is embedded in the scope of application of the framework".
"Could consider" should be used instead of "should consider" throughout	**Not addressed**	EIOPA is "of the view that the elements linked to the resolvability dimensions listed in the IRRD's Annex are essential to consider and that their consideration does not automatically lead to the application of alternative measures".
Existing processes should be able to be used as far as possible – additional data tracking as in BRRD is not appropriate	**Not addressed**	Not explicitly addressed.
Resolution planning should not constrain business opportunities or hinder intra-group arragements	**Not addressed**	EIOPA states "Sufficient safeguards are provided in the IRRD itself.]…] Furthermore, the introduction includes two paragraphs stating that that resolution authorities should try to minimize, to the extent possible, the interference with the undertaking's ongoing business models and the legal and operational structure
Clarify circumstances in which an undertaking is considered to have insufficient loss absorbency in light of SII capital requirements	**Not addressed**	Not explicitly addressed. EIOPA does note "The potential connections with Solvency II were carefully considered, but the Guidelines address these similar topics from a different perspective.".
Lack of quantitative cost assessment	**Not addressed**	It should be noted that a relative qualitative comparison of the costs associated with the various policy options has been added.
Guidelines should refer to 'parents' rather than 'ultimate parents'	**Not addressed**	Guidelines refer to 'ultimate parent undertaking'.
Clarify for conglomerates that IRRD planning only applies to highest insurance entity in the group	**Not addressed**	Not explicitly addressed.
Introduction: Guidance should clearly indicate,	**Not addressed**	EIOPA notes "The potential connections with Solvency II were carefully considered, but the Guidelines address these similar topics from a different perspective.".

Insurance Europe Request	Status	Notes
with rationale, where it goes beyond Solvency II		
Introduction: should make explicit that there is more time in the insurance sector compared to banking	**Not addressed**	Not explicitly addressed.
Introduction Para 1.4(c): Remove concept of alternative resolution strategy	**Not addressed**	Not explicitly addressed.
Introduction Para 1.7: Amend wording to remove reference to removing impediments under insolvency	**Not addressed**	Not explicitly addressed.
Introduction Para 1.10: Amend wording to state that measures should be risk based	**Not addressed**	Not explicitly addressed.
GL 1: title should be amended to "Alternative Measures"	**Not addressed**	Not explicitly addressed.
GL2 Para 1.13(a) and (c): examples imply mechanisms should exists for loss absorption beyond NCWO	**Not addressed**	Not explicitly addressed.
GL2 Para 1.13(b) and (d): examples require clarificiation (e.g. what is "too complicated")	**Not addressed**	Not explicitly addressed.
GL2 Para 1.14: should reflect SLAs should be tailored, risk based and proportionate and a flexible approach is needed	**Not addressed**	Not explicitly addressed.

Insurance Europe Request	Status	Notes
GL3: Must be implemented proportionately and should include a requirement to assess economic costs	**Not addressed**	Not explicitly addressed.
GL4: add wording clarifying only information not already available should be requested	**Not addressed**	Not explicitly addressed.
GL5 Para 1.21: Existing liquidity stress tests should be accepted	**Not addressed**	EIOPA comment that "in resolution planning the resolution authority needs to ensure the undertaking is resolvable when it fails, for which it needs to remove any substantial impediments before, i.e. in going concern, Therefore, undertakings should, for instance, have capabilities to perform a liquidity analysis during a crisis."
GL5 Para 1.24: Size of derivatives portfolio <> complexity	**Not addressed**	Not explicitly addressed.
GL7 Para 1.29: wording places uncertainty around new produce development	**Not addressed**	Not explicitly addressed.
GL8 Para 1.33: amend "negatively affects" to "poses a substantial impediment to"	**Not addressed**	Not explicitly addressed.
GL9: This power should not include the ability to restructure group entities	**Not addressed**	Not explicitly addressed.
GL9: Should be reworded given practical constraints on firms' abilities to guarantee availability of staff etc.	**Not addressed**	Not explicitly addressed.