GUIDELINES

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on further details on the measures to remove impediments to resolvability and the circumstances in which each measure may be applied

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GUIDELINES ON FURTHER DETAILS ON THE MEASURES TO REMOVE IMPEDIMENTS TO RESOLVABILITY AND THE CIRCUMSTANCES IN WHICH EACH MEASURE MAY BE APPLIED

INTRODUCTION

1. In accordance with Article 16 of Regulation (EU) No 1094/2010 (EIOPA Regulation)[1] and with Article 15(8) of Directive (EU) 2025/1(IRRD)[2], EIOPA issues these Guidelines to specify further details on the alternative measures to remove impediments to resolvability and the circumstances in which each measure may be applied.
2. These Guidelines have been developed in line with EIOPA's views for better regulation and supervision[3], thereby enhancing supervisory convergence through simpler, more efficient frameworks.
3. These Guidelines are addressed to resolution authorities as defined in Article 2(12) of the IRRD.
4. If not defined in these Guidelines, the terms have the meaning defined in the legal acts referred to in the introduction. For the purposes of these Guidelines, the definitions of the 'resolution strategy', preferred resolution strategy', alternative resolution strategy' and 'relevant services' apply as defined in the relevant regulatory technical standards on the content of resolution plans and group resolution plans.
5. It is essential to apply the alternative measures in a proportionate manner, trying to minimize, to the extent possible, the interference with the insurance or reinsurance undertaking's (collectively "undertaking") or group's legal structure and business, financial or operational strategy.
6. For any measures imposed on the undertaking, the resolution authority should duly consider in advance the potential effect of such measure on the soundness and stability of that particular undertaking's ongoing business, the collective interest of policyholders, beneficiaries and injured parties and, on the internal market.
7. The alternative measures may be applied if they are suitable, necessary and proportionate to address or remove the substantive impediments to the effective implementation of a preferred resolution strategy (and alternative resolution strategy, if applicable), including substantive impediments to winding-up, where an undertaking is likely to be wound up under insolvency proceedings in the event of its failure.
8. An alternative measure should be considered suitable, if it is able to promote a material reduction or removal of the substantive impediment concerned in a timely manner.
9. An alternative measure should be considered necessary to address or remove an impediment to resolvability, if less disruptive measures which are able to achieve the same objective to the

[1] Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48–83).

[2] Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129 (OJ L, 2025/1, 8.1.2025, p. 1).

[3] See also Bolder, Simpler, Faster: EIOPA's views for better regulation and supervision, April 2025.

same extent cannot be identified. The disruptiveness of the measure should be assessed, *inter alia,* by costs and negative effects on the undertaking.

10. An alternative measure should be considered proportionate, if the overall potential benefits of resolving the undertaking and of meeting the resolution objectives outweigh the overall potential costs and potential negative impact of addressing or removing the substantive impediments to resolvability.
11. The process of addressing and removing substantial impediments identified in the assessment of resolvability through the application of alternative measures should be based on ongoing cooperation and dialogue with the undertakings or groups.
12. The structure of these Guidelines follows the list of alternative measures provided in Article 15(5) of the IRRD.
13. These Guidelines apply from 30 January 2027.

GUIDELINE 1 – ALTERNATIVE RESOLUTION STRATEGIES

14. Any alternative measures, taken by resolution authorities should aim in the first place to address or remove substantive impediments to resolution with respect to the preferred resolution strategy or strategies. Where relevant, the resolution authority may also apply measures to address or remove substantive impediments to the application of alternative resolution strategy or strategies, for which the same guidelines apply. Any alternative measures necessary to address or remove substantive impediments to the alternative resolution strategy or strategies should only be applied if they do not impair the credible and feasible implementation of the preferred resolution strategy or strategies.

GUIDELINE 2 – POWER TO REQUIRE THE UNDERTAKING TO REVISE ANY INTRA-GROUP FINANCING AGREEMENTS OR REVIEW THE ABSENCE THEREOF, OR DRAW UP SERVICE AGREEMENTS, WHETHER INTRA-GROUP OR WITH THIRD PARTIES[4]

15. Resolution authorities should consider requiring an undertaking to revise existing group financing agreements or to review the absence thereof. In particular, this should be done if the provision of financial support or its form (or the absence of this type of agreement) makes it substantially more difficult for resolution authorities to achieve the resolution objectives by applying the preferred resolution strategy due to, *inter alia*:
    a) the lack of sufficient mechanisms that allow for losses to be absorbed by (or "up-streamed" to) the relevant parent undertaking, ultimate parent undertaking or insurance holding company (not undermining the solvency of any entity in the group);
    b) a too complicated operational structure of the group;
    c) lack or insufficient set-off or netting mechanisms (of mutual liabilities and receivables); or
    d) the financing structure, that does not allow to absorb losses in accordance with the general principles governing resolution.

[4] Article 15(5)(b) of the IRRD

16. Resolution authorities should consider requiring an undertaking to draw up written service level agreements or transitional support agreements[5], or take other appropriate measures to ensure the continuity of the relevant services or to achieve any of the resolution objectives. This measure may be applied, in particular, in cases where:
    a) no written service level agreements or transitional support agreements exist;
    b) the level of documentation of the service level agreements or transitional support agreements is insufficient or;
    c) where the service level agreements or transitional support agreements can be terminated by the counterparty due to resolution action taken by the resolution authority.
17. Resolution authorities should consider applying this alternative measure if legal entities from the group are not able to be operationally independent during resolution, making it substantially more difficult for resolution authorities to achieve the resolution objectives. Especially, resolution authorities should consider this alternative measure where it is necessary to ensure the possibility to implement the preferred resolution strategy envisaging a break-up or restructuring of the group, including through the application of a (partial) transfer tool (applying a sale of business, bridge undertaking, and asset and liability separation tool).
18. When applying this alternative measure, resolution authorities should aim at ensuring that these intra-group financing agreements or service agreements are accessible and enforceable within a short timeframe from the application of the resolution measure. If the relevant preferred resolution strategy envisages the use of a (partial) transfer tool, resolution authorities should consider requiring the agreements to be transferable to entities resulting from resolution action or to recognise the legal effects of statutory transfers. This could include, e.g. requiring the undertaking to include in the arrangements appropriate clauses ensuring that the agreements are not terminated at the entry into resolution.

GUIDELINE 3 – POWER TO REQUIRE THE UNDERTAKING TO LIMIT ITS MAXIMUM INDIVIDUAL AND AGGREGATE EXPOSURES[6]

19. Where necessary to support a preferred resolution strategy involving a separation of legal entities from the group, resolution authorities should consider requiring the undertaking to limit intra-group exposures that create excessive internal financial interconnectedness between group entities (or groups of such entities, further called as ‘subgroups’). This should be applied when these entities are expected to be resolved separately under the preferred resolution strategy of the group and if this intra-group exposure impairs the group’s or undertaking’s resolvability. The same may apply in relation to a ring-fenced entity, if pursuant to legislative requirements or supervisory decisions a separation of certain activities is required

[5] A transitional support agreement should be understood as an agreement between buyer and seller companies (or divested entities) in which one entity provides services and support (i.e., IT, finance, HR, real estate, payroll, etc.) to another after the closure of a divestiture to ensure business continuity.

[6] Article 15(5)(b) of the IRRD

to ensure the credibility and feasibility of the application of resolution tools and the exercise of resolution powers to the ring-fenced entity or the remaining parts within the group.

20. Resolution authorities should consider requiring an undertaking to limit individual or aggregate exposures where such exposures create excessive financial or operational interdependencies, that limit the possibility to apply the preferred resolution strategy.
21. Resolution authorities should consider requiring an undertaking to limit exposures to special purpose entities connected to the undertakings through significant undrawn commitments (such as loans and credit lines), material guarantees or letters of comfort where such exposures create excessive dependencies, that limit the possibility to apply the preferred resolution strategy.

GUIDELINE 4 – POWER TO IMPOSE SPECIFIC OR REGULAR ADDITIONAL INFORMATION REQUIREMENTS RELEVANT FOR RESOLUTION PURPOSES[7]

22. Resolution authorities should consider imposing additional information requirements when the undertaking is not able to provide up-to-date information required within the timeframe necessary under the preferred resolution strategy, or when the undertaking's information systems are not able to provide all data needed to develop and implement the preferred resolution strategy, and to support a credible valuation required for resolution, including those required by Articles 23 and 56 of the IRRD. The power should be applied, in particular when the available information related to the following areas is insufficient:
    a) critical functions or core business lines and the way these are maintained;
    b) creditors or types of creditors most likely to absorb losses during resolution;
    c) liabilities of particular relevance for the continuity of critical functions or core business lines (such as, where relevant, claims covered by an insurance guarantee scheme) or the achievement of any other resolution objectives;
    d) technical provisions;
    e) policyholders, beneficiaries or injured parties potentially affected by the write-down or conversion;
    f) staff, services and functions essential for the risk management of the undertaking which have to be maintained to achieve any of the resolution objectives (in particular, ensuring the continuation of critical functions), or to sustain core business lines.

GUIDELINE 5 – POWER TO REQUIRE THE UNDERTAKING TO DIVEST SPECIFIC ASSETS OR TO RESTRUCTURE LIABILITIES[8]

23. Resolution authorities should consider requiring an undertaking to (gradually) divest specific type of assets (such as those that are illiquid or not commonly traded) held in its portfolio prior to resolution, if, as concluded by the resolution authority in its assessment of resolvability of the undertaking, the sale of these assets in resolution would significantly impede the effective

[7] Article 15(5)(c) of the IRRD

[8] Article 15(5)(d) of the IRRD

application of resolution tools. The assets to be divested should be those, the sale of which during resolution is likely to result in an increased pressure on asset prices, additional uncertainty or vulnerability on financial markets or among other undertakings and, ultimately, result in higher risk to policyholders, claimants and beneficiaries.

24. In addition, resolution authorities should consider applying this alternative measure if the existing asset structure is likely to have adverse effects on the credibility or feasibility of the preferred resolution strategy, undermining the achievement of the resolution objectives. Where the preferred resolution strategy relies on a liquidation of assets to generate liquidity, resolution authorities should consider requiring an undertaking to divest assets, which are likely to be illiquid under stressed conditions or at the point of resolution, to increase the proportion of assets which are expected to be more liquid instead. This measure should also be considered in relation to assets which significantly impair the feasibility of the valuation (e.g. due to their specific nature, specific approach to their evaluation is needed), required under Article 23 of the IRRD. Resolution authorities should also consider the risk that assets or funding sources might be ring-fenced in third countries.
25. Resolution authorities should consider the time needed for the divestment and the impact of the divestment on the market for the assets concerned, also as a result of divestments required from other undertakings. Resolution authorities should also consider the impact of the divestment on the profit participation of policyholders and, where relevant, the impact of any matching adjustments.
26. Resolution authorities should consider requiring undertakings to restructure liabilities[9] when, after assessing the preferred resolution strategy, the resolution authority concludes that there is an insufficient loss-absorbing capacity at the level of the undertaking or parent undertaking (e.g. due to regulatory ring-fencing, asset encumbrance or market-related developments) or there are factors limiting the utilization of the existing loss-absorbing capacity (e.g. the structure of the investors, creditors or policyholders, beneficiaries or injured parties) or the type and degree of guarantees in certain parts of the insurance portfolio. If necessary for the effective implementation of a preferred resolution strategy in the context of a group, group-level resolution authorities should also consider requiring the parent undertaking to restructure liabilities when they identify that any legal, regulatory, accounting or tax requirements prohibit the parent undertaking from assuming losses of operating subsidiaries or, down-streaming resources (generated through the write-down or conversion at parent undertaking level) to such subsidiaries.
27. Resolution authorities should consider requiring undertakings to reduce the complexity and size of financial positions or commitments, if this is necessary to remove any undue complexity of the undertaking or group necessary to allow for the application of the resolution tools or the exercise of the resolution powers. In particular, resolution authorities should consider requiring an undertaking to reduce the complexity with regard to large portfolios of derivatives and other financial contracts, to avoid untransparent and inaccessible structures, to avoid the

[9] Restructuring the liabilities is not limited to its full write-down or conversion.

complexity or volatility of measurement and valuation of the products and portfolios and to avoid their internal interconnectedness.

28. If necessary for the effective implementation of a preferred resolution strategy in the context of a group, the group-level resolution authorities should consider requiring that the funding of subsidiaries by the parent undertaking is adequately subordinated. Group-level resolution authorities should also consider requiring that the funding arrangements between subsidiaries and the parent undertaking or between any other group entities are not subject to set-off arrangement or that they provide for appropriate arrangements for losses to be transferred to the legal entity to which resolution tools or resolution powers would be applied from other group entities, in a way that allows the relevant operating group entities to remain viable without endangering the compliance with prudential requirements of the undertaking. Group-level resolution authorities should consider structuring the funding in such a way that the group or the part of the group that performs critical functions is not split up following a write-down and conversion of a considerable portion of the instruments that are subject to write-down and conversion powers. Where the preferred resolution strategy depends on a re-allocation of capital and liquidity within the group, group-level resolution authorities should consider requiring capital and liquidity to be located in jurisdictions where this re-allocation is allowed under local regulatory limits. Also, the re-allocation should not negatively impact the situation of policyholders.

GUIDELINE 6 – POWER TO REQUIRE THE UNDERTAKING TO LIMIT OR CEASE SPECIFIC EXISTING OR PROPOSED ACTIVITIES[10]

29. Resolution authorities should consider requiring an undertaking to limit complex activities related to how business operations are provided to other entities. This should also include how these operations are included in the financial statements (accounting and prudential), how they are funded and considered in the undertaking's risk management framework. Also, the requirement to limit complex activities may refer to the position of business operations within the group and their geographical location, if such activities undermine the credibility or feasibility of the preferred resolution strategy.
30. Resolution authorities should consider requiring an undertaking to limit the provision of relevant services to other undertakings or other financial market participants if, based on an overall assessment of the undertaking's functions, the resolution authority assesses that the services could not be continued in resolution and their discontinuance could threaten the stability of the recipients of these services.
31. Where pursuant to legal requirements or supervisory decisions, a transfer of specific activities into a separate entity is required, resolution authorities should consider preventing this entity from performing additional activities, if this is necessary to ensure the credibility and feasibility of the application of resolution tools or the exercise of resolution powers following the transfer.

[10] Article 15(5)(e) of the IRRD

GUIDELINE 7 – POWER TO RESTRICT OR PREVENT THE DEVELOPMENT OF NEW OR EXISTING BUSINESS LINES OR SALE OF NEW OR EXISTING PRODUCTS[11]

32. Resolution authorities should consider applying restrictions to the development of new or existing business lines or the sale of new or existing products by the undertaking or group if they are structured in a way that impairs the application of resolution tools or the exercise of resolution powers, or with the purpose to circumvent their application.
33. Resolution authorities should consider restricting or preventing the development of new or existing business lines or the sale of new or existing products governed by a third country law or financial instruments issued from entities in a foreign jurisdiction (in particular third country branches or special purpose entities), if that development of business lines or sale of products may impede the application of resolution, especially in terms of the timing, or the scope of affected parties. This may include situations where the third country law does not recognise the application of resolution tools or the exercise of resolution powers envisaged by the preferred resolution strategy or does not make them effectively enforceable, or if the development or sale of these business lines and products is likely to have significant adverse effects on the application or implementation of resolution powers.
34. Resolution authorities should consider requiring an undertaking to restrict the development of new or existing business lines or sale of new or existing products if, as a result of the complexity of these business lines or products, the assessment of liabilities and non-financial obligations of the undertaking by the resolution authority is impaired or the valuation pursuant to Article 23 of the IRRD is significantly impeded.

GUIDELINE 8 – POWER TO REQUIRE THE UNDERTAKING TO CHANGE THE REINSURANCE STRATEGY[12]

35. Resolution authorities should consider, without prejudice to the specific requirements included in paragraph 36 and 37, any risks related to the reinsurance strategy that the undertaking has in place.
36. Resolution authorities should consider requiring the undertaking to change its reinsurance strategy if the current strategy negatively affects the credibility and feasibility of the preferred resolution strategy. This might be considered, in particular, when the following situations occur: a change in the circumstances and environment of the business (e.g. macroeconomics slowdown, pandemic, outburst of war), low credibility of the current reinsurance undertaking (e.g. when the counterparty to reinsurance contracts is engaged in doubtful transactions or money laundering or when its financial position changes significantly etc.), an absence of resolution-proof clauses, a change of the reinsurance undertaking's financial standing assessment (e.g. rating downgrade) or a use of reinsurance contracts to transfer the assets outside the undertaking (thereby undermining the loss-absorbing and recapitalization capacity).

[11] Article 15(5)(f) of the IRRD

[12] Article 15(5)(g) of the IRRD

37. When considering whether the reinsurance strategy of an undertaking needs to be changed, the resolution authority should, in particular, pay attention to:
    a) legal and financial risks deriving from the reinsurance strategy's contracts;
    b) operational risks deriving from the reinsurance strategy, such as a significant level of dependence on risk-management expertise provided by the reinsurance undertaking.

GUIDELINE 9 – POWER TO REQUIRE CHANGES TO LEGAL OR OPERATIONAL STRUCTURES OF THE UNDERTAKING OR ANY GROUP ENTITY, EITHER DIRECTLY OR INDIRECTLY UNDER ITS CONTROL, SO AS TO REDUCE COMPLEXITY TO ENSURE THAT CRITICAL FUNCTIONS MAY BE LEGALLY AND OPERATIONALLY SEPARATED FROM OTHER FUNCTIONS THROUGH THE APPLICATION OF THE RESOLUTION TOOLS[13]

38. The requirement to change the structures of the undertaking should be considered if the resolution authority assesses that the legal or operational structures of the undertaking or any group entity as being too complex or too interconnected (including a too high level of staff-sharing between entities) to be able to maintain the continuity of access to critical functions in resolution, or to be dismantled under a preferred resolution strategy, including strategy envisaging a break-up of the group or a liquidation or transfer of certain assets or liabilities. This may especially include a situation in which local group operations are critically dependent on essential services as well as risk management or hedging services from other group entities.
39. If necessary for the effective implementation of a preferred resolution strategy of a group and to ensure that certain subgroups or legal entities are separable, resolution authorities should consider requiring undertakings or any group entity to restructure legal entities along geographical or business lines. In particular, this should apply to centralised hedging and risk management, trading, liquidity management and collateral management or other key finance functions, unless these functions can be replaced in a timely manner by market transactions with third parties. In accordance with the preferred resolution strategy, resolution authorities should prevent extensive use of hedging contracts among entities within the group and other transactions or purchase of financial instruments resulting in the creation of intra-group dependencies potentially influencing the use of resolution tools or resolution powers. This is to ensure that legal entities that are to be resolved separately have a sufficient level of standalone accounting and risk management.
40. Where pursuant to legislative requirements or supervisory decisions, a structural separation of certain activities is required, resolution authorities should consider requiring the inclusion of additional activities in the separation, if necessary to ensure the credibility and feasibility of the application of resolution tools or the exercise of resolution powers in each part of the group following the separation.
41. If resolution authorities consider that the structure of an undertaking or a group limits the possibility to apply the preferred resolution strategy, it should require the undertaking or any group entity to restructure itself so that the subsidiaries which are material to the continuity

[13] Article 15(5)(h) of the IRRD

of critical functions are located within the EU's internal market or third country jurisdictions in which the impediments are removed.

42. If the preferred resolution strategy provides for a split of an undertaking or of a group or a change of ownership by sale or transfer, resolution authorities should consider requiring the undertaking or any group entity to structure critical functions and relevant services, in a way that facilitates their continuity. If necessary to make a preferred resolution strategy credible and feasible, resolution authorities should consider requiring an undertaking or any group entity to change its operational structure to reduce or prevent the dependency of material entities or core business lines in each subgroup on relevant services from other subgroups. This should include management information systems. It should be ensured that adequate governance and control arrangements are in place and the necessary financial resources are available so that providers of relevant services can continue to provide their services.
43. When it is necessary to ensure the provision of relevant services following resolution, resolution authorities should consider requiring an undertaking to move these services into separate operational subsidiaries. When applying this measure, resolution authorities should consider requiring the operational subsidiaries:
    a) to limit their activities to the provision of these services and to apply appropriate restrictions regarding risks and activities;
    b) to be adequately capitalised to meet their operational costs for an appropriate timeframe;
    c) to meet the requirements applicable to an outsourcing of the functions concerned;
    d) to provide their services under intra-group service level agreements that are robust under resolution.

    The terms of these agreements, the governance arrangements of these subsidiaries and their ownership structure should be appropriate to ensure the continuance of these services following resolution.
44. Resolution authorities should consider requiring an undertaking to take precautions to meet, in a resolution situation, the specific requirements of any financial markets infrastructure (FMI) in which it participates. Where necessary, resolution authorities should consider requiring an undertaking to make reasonable efforts to re-negotiate contracts with FMIs, subject to safeguards to protect the sound risk management and safe and orderly operations of the FMI.
45. Resolution authorities should consider requiring an undertaking or any group entity to avoid critical dependencies of the undertaking, the group or any subgroup on the provision of services under third country contracts that permit termination upon resolution. A dependency should be deemed critical when it negatively affects resolvability of the undertaking.
46. If a preferred resolution strategy for a group includes a winding down of any entities that are not providing any of the identified critical functions or core business lines, resolution authorities should consider requiring an undertakings to ensure the separability of these business lines, within or outside the existing structure, including the marketability of certain operations in case the preferred resolution strategy requires their sale. If necessary to ensure separability, resolution authorities should consider requiring an undertaking to change their structure in third countries from branches to subsidiaries, or to internally segregate all or

certain functions and business lines in these branches to prepare a carve-out of these functions and facilitate the transfer to a separate entity.

47. Resolution authorities should consider requiring an undertaking to take reasonable precautionary measures to ensure the availability of key staff by retaining or substituting them, where this is necessary to implement the preferred resolution strategy, also with a view to the replacement of the administrative, management or supervisory body and the senior management of the undertaking under resolution required by Article 22(1)(c) of the IRRD.
48. Resolution authorities should consider requiring an undertaking to ensure the continuity of management information systems. Resolution authorities should consider requiring that the undertaking's information systems and data availability ensure that resolution authorities are able to obtain the information and data needed to implement the preferred resolution strategy and carry out valuations before and during resolution. In particular, resolution authorities should consider requiring an undertaking to ensure the operability of the use of the write-down and conversion powers by making the identification of liabilities, stays on payments and the technical implementation of the write-down and conversion feasible.
49. Where a significant branch of a third-country undertaking located in the Union performs critical functions or core business lines of which the continuity is not adequately ensured in the resolution plan of the third-country undertaking, or from which a significant risk of contagion is derived, resolution authorities should consider requiring the third-country undertaking to set up a subsidiary or to capture this under the requirement for the parent insurance holding company in a Member State or a Union parent insurance holding company pursuant to the first point of this Guideline.

GUIDELINE 10 – POWER TO REQUIRE THE UNDERTAKING OR A PARENT UNDERTAKING TO SET UP A PARENT INSURANCE HOLDING COMPANY IN A MEMBER STATE OR A UNION PARENT INSURANCE HOLDING COMPANY [14]

50. Resolution authorities should consider requiring to set up a parent insurance holding company in a Member State or a Union parent insurance holding company, if they assess that it is not credible or feasible to resolve the part located in the Union of an undertaking or group located in a third country, because there is no parent undertaking subject to the law of an EU jurisdiction or an equivalent jurisdiction. In particular, resolution authorities should consider requiring an undertaking or a parent undertaking to set up a parent insurance holding company in a Member State or a Union parent insurance holding company, if the issuance of debt at this level is necessary to provide for an adequate amount and proper allocation of liabilities expected to contribute to loss absorption and recapitalisation, to facilitate the absorption of losses at the level of the operating subsidiaries and to ensure the fungibility of liabilities expected to contribute to loss absorption and recapitalisation within the part of the group located in the Union.

[14] Article 15(5)(i) of the IRRD

51. In addition, this measure should be considered where, for a credible and feasible implementation of the preferred resolution strategy, it is required to apply the resolution tools or exercise the resolution powers at the level of the holding company rather than at the level of the operating entities, also with regard to potential exclusions from the write-down or conversion tool. Resolution authorities should consider applying this measure together with restrictions on the operational activities of the parent insurance holding company in a Member State or a Union parent insurance holding company, if the operational activities at that level substantially impede the credibility or feasibility of the implementation of the preferred resolution strategy. In particular, resolution authorities should consider setting appropriate limitations to prevent the parent insurance holding company in a Member State or a Union parent insurance holding company from performing critical functions or core business lines. Where necessary, the parent insurance holding company in a Member State or a Union parent insurance holding company's financing sources should include only equity and liabilities that are expected to be written down or converted.

GUIDELINE 11 – POWER TO REQUIRE THAT THE MIXED-ACTIVITY INSURANCE HOLDING COMPANY SETS UP A SEPARATE INSURANCE HOLDING COMPANY TO CONTROL THE UNDERTAKING, WHERE NECESSARY TO FACILITATE THE RESOLUTION OF THE UNDERTAKING AND TO AVOID THAT THE APPLICATION OF RESOLUTION TOOLS AND THE EXERCISE OF RESOLUTION POWERS HAS AN ADVERSE EFFECT ON THE NON-FINANCIAL PART OF THE GROUP, WHERE THE UNDERTAKING IS THE SUBSIDIARY UNDERTAKING OF A MIXED-ACTIVITY INSURANCE HOLDING COMPANY[15]

52. If resolving the insurance part of a mixed-activity insurance holding company enhances the credibility and feasibility of the preferred resolution strategy, resolution authorities should consider requiring the mixed-activity insurance holding company to set up a separate insurance holding company, taking into account the risk of contagion between different segments of the financial sector and the wider economy.

COMPLIANCE AND REPORTING RULES

53. This document contains Guidelines issued under Article 16 of the EIOPA Regulation. In accordance with Article 16(3) of the EIOPA Regulation, resolution authorities are required to make every effort to comply with guidelines and recommendations.
54. Resolution authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or resolution framework in an appropriate manner.
55. Resolution authorities are to confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the issuance of the translated versions.

[15] Article 15(5)(j) of the IRRD

56. In the absence of a response by this deadline, resolution authorities will be considered as non-compliant to the reporting and reported as such.

FINAL PROVISION ON REVIEW

57. These Guidelines will be subject to a review by EIOPA.