



## Press Release

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## EIOPA PUBLISHES DISCUSSION PAPER ON NATIONAL INSURANCE GUARANTEE SCHEMES

- *In the European Union, there are different sources of resolution funding available for failing insurers. The landscape for insurance guarantee schemes is also significantly fragmented.*
- *A minimum degree of harmonisation in the field of insurance guarantee schemes in the European Union would benefit policyholders, the insurance market and more broadly financial stability in the European Union.*
- *EIOPA is seeking feedback from stakeholders regarding its assessment and the potential design features of insurance guarantee schemes such as their scope, funding and coverage.*
- *The discussion paper is open for comments until 26 October 2018.*

**Frankfurt, 30 July 2018** – Today, the European Insurance and Occupational Pensions Authority (EIOPA) published its [Discussion paper on resolution funding and national insurance guarantee schemes](#) as a follow-up to the [EIOPA Opinion on the harmonisation of recovery and resolution frameworks for \(re\)insurers across the Member States](#) published in 2017.

In the European Union, there are different sources of resolution funding available for failing insurers. The landscape of insurance guarantees schemes is also significantly fragmented, with the existing schemes differing quite substantially in terms of financing, functions, mandate and coverage. In its discussion paper,

EIOPA has analysed the need for potential harmonisation of insurance guarantee schemes on the basis of the following three options:

- Maintaining the current fragmented landscape where some but not all Member States have insurance guarantee schemes in place
- Establishing a European network of national insurance guarantee schemes which are adequately funded and sufficiently harmonised (minimum harmonisation)
- Establishing a single European Union wide insurance guarantee scheme (maximum harmonisation)

Based on this analysis, EIOPA proposes a minimum degree of harmonisation in the European Union. This would benefit policyholders, the insurance market and more broadly the financial stability in the European Union.

EIOPA is seeking feedback from stakeholders regarding this assessment and the potential design features of insurance guarantee schemes such as their scope, funding and coverage.

Gabriel Bernardino, Chairman of EIOPA, said: *"Insurance guarantee schemes are essential elements of the resolution of failing insurers but also in ensuring the overall protection of policyholders and beneficiaries. The existing fragmented landscape for insurance guarantee schemes cannot fully serve this purpose and can create particular problems in the case of failures involving cross-border business. EIOPA encourages all stakeholders to provide their comments to the discussion paper. The design of insurance guarantee schemes will be crucial for the confidence of consumers in the European Union internal market."*

The discussion paper is open for comments until 26 October 2018 and [can be viewed here](#).

## Notes for Editors:

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established on 1 January 2011 as a result of the reforms to the structure of supervision of the financial sector in the European Union. EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union. EIOPA's core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.

**Insurance guarantees schemes** provide protection to [policyholders] when insurers are unable to fulfil their contractual commitments [...] either by paying compensation to policyholders for their claims, or by securing the continuation of their insurance contract (European Commission, White Paper on Insurance Guarantee Schemes (2010)).