

CALL FOR ADVICE ON MINIMUM COMMON RULES FOR INSURANCE GUARANTEE SCHEMES (IGS) IN THE EU

Stakeholder workshop 4 February 2026

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Agenda

1. Practical information on participating in the meeting
2. Introductory remarks
3. EIOPA's approach to deliver on the Call for Advice, incl. key deliverables
4. Key principles and definitions
5. Main policy issues identified
6. Next steps and concluding remarks

1. Practical Information on participating in the meeting

- The presentation is structured via policy deliverables identified in the Call for Advice
- Each area of deliverable will be followed by a dedicated Q&A session to allow for audience engagement and discussion
- Questions can only be submitted in written form using the **Q&A button** in the upper right corner of the MS Teams meeting screen. In your written question please include:
 - Identify yourself before the question with your **full name + organisation**
 - The moderator will open the floor for comments/questions after speakers have provided their presentation based on your submitted written question.
- Please submit only comments/questions which are inside the scope of the event.

2. Introductory remarks

- IGS harmonization has always been high on EIOPA's agenda
- In 2020, EIOPA published an Opinion on harmonization of IGS advising positively on the establishment of minimum common standards for IGS in the EU
- Article 98 of IRRD regulation requires the Commission to issue a report on assessing the appropriateness of minimum common standards, consulting EIOPA throughout the process
- On 1 August 2025, EIOPA received the Call for Advice on specific topics with deadline for submission 31 May 2026, which has been extended to **31 August 2026** allowing for public consultation
- This stakeholder workshop aims to:
 - Introduce to EIOPA's overall approach to the Call for Advice, including the main deliverables
 - Provide explanation to any unclarities on the process at this stage
 - Support the preparation of stakeholders' contributions to a public survey which will be launched after this workshop

3. EIOPA's Approach to deliver on the Call for Advice, incl. key deliverables

- The policy areas, as requested by the Call for Advice, are divided in the following four sub-deliverables which are described in detail in the following section ‘5. Main deliverables’:
 - General questions about potential impact of harmonised IGS
 - Interaction with IRRD and potential variants of harmonized IGS
 - Conditions for effective funding of IGS
 - Potential for harmonizing operational functioning of IGS
- The policy advice of these sub-deliverables will be informed by
 - Today’s workshop discussion
 - A public online survey which will be launched after today’s workshop
 - A public consultation during the second quarter 2026

4. Key principles and definitions

- EIOPA's Opinion 2020 on harmonization of IGS still stands. The focus of EIOPA's advice is a **targeted update** on those areas that were not covered in the previous opinion, concerning topics where significant new developments have taken place, or which were not addressed in detail previously.
- Definitions of terminologies used:
 - **'Insurance guarantee scheme'** means a scheme officially recognised by a Member State and financed through contributions from insurance or reinsurance undertakings or policy holders guaranteeing the payment of eligible insurance claims, in part or in full, to eligible policy holders, insured parties and beneficiaries, or ensuring the continuation of insurance policies where an insurance undertaking is unable or likely to become unable to fulfil its obligations and commitments resulting from its insurance contracts.
 - **'Ex-ante funding'** means funding arrangements, for which insurers contribute with a view to accumulating and maintaining a fund under the control of the resolution authority or other public authority that can be used in the event of an insurer becoming insolvent or in resolution.
 - **'Ex-post funding'** means funding arrangements, for which solvent insurers pay after the insolvency of one or several insurers have occurred.

5. Main policy issues identified:

5.1 General questions about potential impact of harmonised IGS



eiopa
European Insurance and
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Background information

EIOPA Opinion 2020:

- EIOPA advises that national IGSs should cover specific life policies and specific non-life policies, and in particular:
 - claims-related protection where the failure of an insurer could lead to considerable financial or social hardship for policyholders and beneficiaries (such as, for instance, fire insurance, accident insurance, liability, suretyship products if the beneficiary is a natural person, sickness and other damages to property)
 - contract-related protection (such as, for instance, health, savings, and life including occupational pensions by life insurers falling under Solvency II).
- EIOPA advises that unearned premiums should not be covered.
- Member States should have the flexibility to identify the policies commercialized at national level, which correspond to the business lines to be covered at EU level and provided by the Solvency II Directive. Member States could also extend coverage to other lines of business relevant in their jurisdiction.

Background information

The Call for Advice is requesting EIOPA to:

1. Supplement the previous advice with information on the **level of standardization** of those policies across the EU, their **cross-border relevance** and whether the coverage of these policies by IGS would have a significant **economic impact** in terms of increase protection and additional costs for the insurance sector.
2. Provide advice on the **advantages and disadvantages** of generic, all-encompassing IGS covering all life insurance policies, non-life insurance policies or both and specific, more focussed IGS covering only one type or a selection of types of policies.
3. Advice on **how minimum common standards for IGS could result in the insurance sector offering more services across the EU, and how consumers could benefit** from increased choice of insurance services and higher protection in case of failure – where necessary and possible distinguishing across types of insurance policies.

Level of standardization, cross-border relevance and economic impact

Policy issue from the Call for Advice:

- Which is the **level of standardization** of those policies across the EU? Which is their **cross-border relevance**? Would the coverage of these policies by IGS have a significant **economic impact** in terms of increase protection and additional costs?

Preliminary thoughts:

- The Call for Advice solely refers to 'policies' without providing clarity on the specific level at which coverage should be determined, such as lines of business, risk classes, or products.
- The Solvency II (SII) framework provides a common understanding of lines of business and risk classes (as outlined in Annex I of the SII Delegated Act and Directive), a similar harmonization does not exist at the product level, making it challenging to achieve consistency.
- The level of standardization could be assessed in terms of coverage and whether those policies are mandatory or not in the Member States.
- The economic impact in terms of increase protection could take into consideration the aggregated losses suffered by the policyholders in the past according to the EIOPA database on failures and near misses.

Advantages and disadvantages of different types of IGS

Policy issue from the Call for Advice:

- **Which are the advantages and disadvantages** of generic, all-encompassing IGS covering all life insurance policies, non-life insurance policies or both and specific, more focussed IGS covering only one type or a selection of types of policies?

Preliminary thoughts:

- It is necessary to analyse if the cross-subsidization is desirable. Requiring contributions from both life and non-life insurers could enhance the stability of funding for an all-encompassing insurance guarantee scheme.
- Life insurance is characterised by long-term duration contracts with usually a savings or retirement objective. The financial consequences for policyholders could be significant if insurers cannot meet their contractual commitments on life policies. In addition, policyholders would likely face difficulties to find replacement (against similar conditions).
- Most non-life insurance is characterised by short duration contracts, which could be easily substituted in the event of liquidation of the insurer. Policyholders and/or third-party claimants could however still suffer significant losses from the failure of a non-life insurer.
- The coverage of IGSs to both life and non-life policies presents a more complete protection of policyholders. It can however be questioned whether IGS coverage would be necessary for all types of non-life insurance and also for some life policies (e.g. some unit-link products). Costs derived from the IGS can be contained by limiting the scope of protection provided by the IGS to the extent policyholders' damage is not significant and there are sufficient safeguards.
- The coverage of IGS of specific life and specific non-life policies mitigates some of the drawbacks of the other options, capturing claims-related protection where the failure of an insurer could lead to considerable financial or social hardship for policyholders and beneficiaries and contract-related protection. However, consumers may struggle to understand why certain contracts are protected while others are not, potentially fostering perception of unfairness and / or limiting uptake of insurance offered on a cross-border basis. These considerations highlight the importance of ensuring the scheme remains comprehensible, fair, and operationally viable for consumers.

How minimum common standards for IGS could result in more services and higher protection

Policy issue from the Call for Advice:

- How minimum common standards for IGS could **result in the insurance sector offering more services across the EU, and how consumers could benefit** from increased choice of insurance services and higher protection in case of failure?

Preliminary thoughts:

- EIOPA 2020 Opinion identified gaps in policyholder protection, in cases where IGS do not exist or where IGS are not harmonized between Member States. The absence of standardized IGSs rules has led to some disparate outcomes for policyholders across the EU. The following points outline potential effects of common standards.
- Consumers may accept to pay a higher price for products covered by IGS, until a certain limit. EIOPA is assessing this aspect by conducting a behavioural study in a selection of Member States.
- IGS with common standards in place could incentivise consumers to buy cross-border products for certain types of products.
- The increased level playing field resulting from a minimum harmonization of IGS may have a stimulating effect on the degree of cross-border business in the EU. As a result, insurers might face increased competition, which would drive them to innovate and differentiate their products to attract customers. This could increase the dynamic and responsive nature of the insurance market, where insurers must develop more tailored and flexible products to meet customer's varied needs, and invest in digitalization and technology to improve their operational efficiency and customer experience.
- The introduction of minimum harmonized IGSs could also be a key step in the establishment of a Savings and Investments Union (SIU), which would unlock new investment opportunities and foster a more integrated and harmonized insurance market, where insurers would be able to expand their product offerings.

5. Main policy issues identified:
5.2 Overview of interaction with IRRD and potential variants of harmonized IGS

Background information

EIOPA 2020 Opinion:

- The 2020 Opinion included not only advice on the minimum harmonization of IGSs, but also on the review of the Solvency II Directive and the introduction of minimum common standards on recovery and resolution for (re)insurers in the EU. A direct connection between recovery and resolution and IGS was not specified in the Opinion. With the entry into force of the IRRD in 2025, minimum harmonization of recovery and resolution is achieved, therefor the Call for Advice includes the request to investigate its interactions with the potential harmonization of IGSs.

The Call for Advice is requesting EIOPA to:

- Considering that IRRD entered into force on 28 January 2025 and will apply as of 29 January 2027, EIOPA is requested to provide advice on the expected interaction between IRRD and potential minimum common standards for IGS in the EU, in particular regarding:
 - the institutional setup of national resolution authorities and IGS;
 - the different functions of IGS;
 - the manner in which IGS would share losses in resolution; and
 - the IRRD requirement to establish financing arrangements.

The institutional setup of national resolution authorities and IGS

Policy issue from the Call for Advice:

- The **institutional setup** of national resolution authorities and IGS.

Preliminary thoughts:

- Considering some Member States do have IGS in place already, others have not, the institutional set-up varies widely and with the IRRD also resolution authorities for insurance are being set-up, this poses both opportunities as well as challenges with regard to the allocation and distinctions of roles and responsibilities between these functions, both in resolution planning as in a case of failure. Overlaps or even gaps can occur if the governance in this regard is not sufficiently managed.
- Possible set-up includes fully independent institutions, integrated IGS-function in supervisory authority or in resolution authority (similar to some deposit guarantee schemes). The level of interaction and the system of governance are impacted by these decisions.

The different functions of IGS

Policy issue from the Call for Advice:

- The **different functions IGS could or should perform**

Preliminary thoughts:

- Regardless of the institutional set-up of resolution authorities and IGS, the IGS will play a role in case of failure and most likely also in cases where resolution is applied. Resolution authorities, supervisory authorities and IGS will need to coordinate to ensure a smooth and orderly resolution or winding-up of the failing insurer, both in preparation as when the failure occurs.
- Potential functions of an IGS include the compensation in case of liquidation (pay-out), facilitate a sale-of-business, act as a bridge undertaking or facilitate a solvent run-off. In this context, the selected resolution tools and powers to be applied will define the function an IGS could or should perform.

The manner in which IGS would share losses in resolution

Policy issue from the Call for Advice:

- The manner in which IGS would **share losses in resolution**.

Preliminary thoughts:

- With the introduction of the IRRD, the use of IGS should also be considered in the context of resolution. To where the IGS involvement should reach is not fully regulated yet. When exploring the potential of harmonizing national IGS across the EU, it is important to consider the need of aligning the way IGS could be involved in resolution.
- Given the likely fact that policyholders would be faced with losses in a case of resolution, and IGS would be available, it needs to be clear how and to what extent the IGS could participate in absorbing such losses aiming for an equal level of policyholder protection regardless of whether the undertaking is entering normal insolvency proceedings or is resolved by the application of resolution tools and powers.

The IRRD requirement to establish financing arrangements

Policy issue from the Call for Advice:

- IGS vis-à-vis the IRRD's requirement to **establish financing arrangements**.

Preliminary thoughts:

- The IRRD includes the requirement to set up financing arrangements to cover at least the compensation for claims arising from a breach of the principle of that in resolution no creditor should be worse off than they would have been in liquidation (NCWOL).-Costs associated with the application of resolution tools may also be covered, when needed for the achievement of the resolution objectives.
- As the establishment of financing arrangements requires Member States to make decisions on similar elements as relevant for IGS, such as the institutional set-up and the way of financing and funding, it raises questions on the potential overlaps or gaps between the two frameworks.
- In particular, when financing arrangements are used to cover the costs of applying resolution tools, such as facilitating a sale of business, their function could overlap with those of IGS. Providing clarity on the distinction of the roles and functions of the two schemes and their interaction in preparing and executing resolution is key.
- Finding ways to maximise the compatibility of IGS-harmonization with the IRRD's financing arrangements is an essential element in the development of a sound Advice on IGS.

5. Main policy issues identified:
5.3 Description of conditions for effective funding of IGS

Background information

EIOPA 2020 Opinion:

- EIOPA advises that Member States should ensure that IGSs have in place adequate systems to determine their potential liabilities. The available financial means of IGSs should be proportionate to those liabilities.
- EIOPA is of the view that IGSs should be funded on the basis of ex-ante contributions by insurers, possibly complemented by ex-post funding arrangements in case of capital shortfalls. Further work is needed in relation to specific situations where a pure ex-post funding model could potentially work, subject to adequate safeguards.
- An appropriate target level for the funding of IGSs should be defined across Member States, taking into account the national market specificities. This target level should be accompanied by a suitable transition period to ensure that the target level can be achieved without major disruptions to the industry.
- Moreover, EIOPA advises to consider the introduction of upper limits to the annual contributions made by an individual insurer or from the industry as a whole into IGSs to mitigate the risk of overburdening the industry.

The Call for Advice is requesting EIOPA to:

1. Provide advice under which **specific situations a pure ex post model could work and how such a model with adequate safeguards could look like**, under the assumption of a harmonised ‘home country principle’ to geographical coverage.
2. Advise how a **combined funding model, mainly based on ex post funding but incorporating some ex-ante funding, could be set up**, where necessary differentiating across types of insurance policies.

Pure ex-post model

Policy issue from the Call for Advice:

- Under which **specific situations could a pure ex post model work?**

Preliminary thoughts:

- Depending on the use and objectives of the IGS applied, there might be different funding needs. If for example the portfolios are placed in a run-off or bridge institution the funding needs might be more spread over a longer period leading to fewer immediate funding needs at the time of failure. However, it remains crucial that funding is easily available for initial capitalization of the run-off or bridge institution and generally for the payment of claims when they are due. The advantages of ex-post funding could be dependent on the specific scenarios, in particular with regard to the time horizon of the funding needs.
- When deciding on a purely ex-post funded model, questions arise on the credibility of the funding, as the liquidity level of the IGS needs to be sufficient to intervene effectively when failures take place. It might not always possible to directly retrieve funds from the participating insurers, so contingency measures would need to be taken in case conventional IGS-funding is not available directly.
- Practice shows that IGS can use different solutions for this, most often measure include the State and/or commercial banks. Examples are the pre-emptive establishment of credit facilities directly with the Treasury/Ministry of Finance or credit lines with banks/syndicates. These contingency measures bring their own challenges and implications, such as on the state budget and subsequently taxpayers.
- Therefore, it is important to have an overview of potential solutions and operational challenges when considering different safeguards for sufficient funding.

Combined funding model

Policy issue from the Call for Advice:

- How could a **combined funding model, mainly based on ex post funding but incorporating some ex-ante funding**, be set up, where necessary differentiating across types of insurance policies considering a home country approach?

Preliminary thoughts:

- High level of cross-border business relative to the business of domestic insurers or concentration in the insurance market, could lead to different needs in the design of an IGS. For life products, the risks of high surrender rate leading to immediate liquidity issues when the failure occurs. Both issues are difficult to mitigate in a pure ex-post funding model.
- Hybrid models are a way to limit the need for ex ante levies and have the flexibility to supplement with ex post levies. The ex-ante portion is a safeguard to ensure the IGS has always direct access to liquidity when it is needed. Important objectives when designing an ex-ante or hybrid model include ensuring credibility, defining feasible target levels, and effectively mitigating the downsides of ex post funding. For the target levels raised on an ex-ante basis, it could be considered whether this level should be fixed or risk-based to the specific insurance market.
- The portion-of ex ante funding required from each insurer could be based on a percentage of the GWP, TP or other, such as gross earned premiums as non-risk-based approach. A risk-based approach, e.g. considering the SCR, could be considered as well. Also, a differentiation between fixed contributions and relative contributions based on the size of the undertakings involved is a possible approach.

5. Main policy issues identified:
**5.4 Description of potential for harmonizing
operational functioning of IGS**

Background information

EIOPA Opinion 2020:

The topics related to operational functioning were not covered in 2020. These topics are part of the targeted update requested by the Commission in the Call for Advice.

The Call for Advice is requesting EIOPA to:

provide advice on **the appropriateness of minimum common standards** for IGS regarding their **operational functioning**. In particular, EIOPA is requested to assess the appropriateness of minimum common standards with regard to:

- the trigger moment(s) for IGS activation;
- the time for the submission of claims the deadline for payouts to policyholders in compensation cases;
- the conditions and timing for a continuation of policies by IGS; and
- the place of IGS in the insolvency ranking. EIOPA is expected to draw lessons from the overview of existing IGS, and present the advice as a timeline with key moments.

Triggers for IGS activation

Policy issue from the Call for Advice:

- Would minimum common standards be appropriate regarding **triggers for IGS activation?**

Preliminary thoughts:

- The timing of the involvement and ultimate activation of IGS in a case of failure can be approached in multiple ways. For example, in case of compensation after a liquidation of policies, the IGS might only need to step in after the closure of the failure, while in a case where the objective is to continue the policies, intervention would be necessary at an earlier stage of the proceedings, as the tools and powers to be applied are determinative for the way and the extent the IGS is used.
- Potential triggers for IGS-activation in resolution or insolvency proceedings include the determination that the insurer is failing or likely to fail (FOLTF), a supervisory or court-ordered merger of an insurer, or an insolvency order, appointment of an administrator or liquidator of an insurer, de-registration of an insurer, forced portfolio transfer, and/or certain events of default by the insurer.
- Many of potential triggers are directly connected to the normal insolvency proceedings specific to Member States' national law. On the other hand, the IRRD regulatory frame regarding interaction between National Resolution Authorities could as well impact potential triggers.

Time for submission of claims and deadline for payouts

Policy issue from the Call for Advice:

- Would minimum common standards be appropriate regarding time for **submission of claims** and the **deadline for payouts**?

Preliminary thoughts:

- As the time for submission of claims and the deadline for payouts pose similar issues related to customer protection and efficiency, they are merged in this presentation. They could be separated in the drafting phase, in line with the Call for Advice.
- Currently, Member States have flexibility to define the time allowed for submission of claims and the deadline for payouts which leads to a variety of different timelines between Member States.
- To decide on a potential harmonization, multiple aspects could be of relevance, including the legal deadlines of payouts by the insolvency administrator from the estate in the case of liquidation, publicity given to the announcement and communication of the insolvency decisions, the calculation time of the final value of the claims and the time required to increase liquidity of the IGS and the relative importance, nature and urgency of the claim considering the type of insurance (for instance, health or income related payments may have a high degree of emergency).
- In general, due to national differences, this may lead to unequal treatment between customers that are in similar situations. Besides, all else equal, relevant differences in those matters between member states may marginally incentivize customers to favour the most protective and accessible IGS-system, leading to a level playing field issue.

Conditions and timing for continuation of policies by IGSs

Policy issue from the Call for Advice:

- Would minimum common standards be appropriate regarding **conditions and timing for continuation of policies** by IGSs?

Preliminary thoughts:

- The decision on whether to continue policies or to compensate after liquidation is of great significance, especially for life or long-term non-life insurance policies where it might be more difficult to find equivalent cover (on similar terms) with an alternative insurer. Therefore, specifying under what specific conditions continuation should be preferred, and its timing, may enhance customer protection at the cost of flexibility at national level.
- This interrelates with the requirements in the IRRD with regard to the application of resolution tools and standing practice in national insolvency regimes and impact the role IGS will play in a case of a failure.
- Relevant considerations on the conditions and timing for continuation could include the advantages of intervening in an early stage to minimize the required liquidity to be provided by the IGS and the costs for relevant stakeholders involved of each tool that aims to continue policies, i.e. portfolio transfer, bridge undertaking and a run-off.

Place of IGSs in insolvency ranking

Policy issue from the Call for Advice:

- Would minimum common standards be appropriate regarding the **place of IGSs in insolvency ranking?**

Preliminary thoughts:

- One of the benefits of IGS in cases of liquidation is the notion of subrogation, where the IGS pays out the guaranteed amount to the policyholders and subsequently takes over the policyholder's claim on the estate, leading to a smooth and fast pay out for policyholders, while the IGS gets reimbursed over time by the estate.
- Art. 277 of Solvency II provides that claims by IGS do not necessarily benefit from the provisions of Art. 275 (i.e. they may not have precedence over other claims with regard to assets representing technical provisions OR over any other claim with a limited list of exceptions). In other words, Art. 275 provide the option for Member States to rank the IGS as they see fit. However, if IGS' resources are limited, additional funding might be required.
- Further rules on the place of IGS in insolvency ranking are currently not harmonized in the EU and might differ between Member States.

6. Next steps regarding stakeholders' involvement

4. Next steps

- After this workshop, EIOPA will launch a **public survey with questions** on main topics related to the Call for Advice and the identified sub-areas (see section previous section 5). Deadline for comments via the online survey is 27 February 2026 (for details see following slide).
- Your input to the survey is very welcome, as the input will be used in the further development of the Advice considering stakeholders' knowledge on the topic and essentially interested on EU/EEA regulation.
- Participants to this workshop will receive a mail including the link to the survey. In addition, EIOPA will publish the information on EIOPA's website.
- **Towards end of April 2026, EIOPA's draft Advice will be subject to a public consultation.** Considering the overall timeframe for this Call for Advice and the additional, early interaction with stakeholders, this public consultation will end after 8 weeks duration around mid- to end June.
- After the public consultation, the Advice will be revised and submitted to the Commission by the end of August. In addition, the **final advice and the resolution of comments will be published on EIOPA's website.**

4. EIOPA's public survey on IGS

- The link to the online survey is [EIOPA survey on IGS](#)
- You find today's presentation accompanying the online survey as well included on above EIOPA's webpage
- Participation in today's workshop is not a prerequisite to answer the survey. Not all questions needs to be answered to submit your feedback.
- The online survey is open until 27 February 2026
- We look forward to your feedback which will inform EIOPA's advice on IGS.

THANK YOU!

For more information visit:
<https://www.eiopa.europa.eu>

Please fill in our event feedback survey by scanning the QR code below. Your feedback is important for us!

