

FINAL REPORT

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on the draft Regulatory Technical Standards on
the content of (group) pre-emptive recovery
plans

EIOPA-BoS-25-711
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1. EXECUTIVE SUMMARY

INTRODUCTION

On 29 April 2025, EIOPA launched a public consultation on the draft Regulatory Technical Standards (RTS) on the content of (group) pre-emptive recovery plans. This final report sets out the final text of the draft RTS including an impact assessment and a feedback statement on the public consultation.

CONTENT

Pursuant to the Insurance Directive (EU) 2025/1¹, certain insurance and reinsurance undertakings and groups that meet the criteria outlined in Article 5, (2) and (3) of this Directive, are required to develop and maintain a pre-emptive recovery plan or group pre-emptive recovery plan. The primary objective of this plan is to outline the measures that the insurance or reinsurance undertaking or group would take to restore its financial stability in the event of significant deterioration. Specifically, Article 5 (paragraph 6) of Directive (EU) 2025/1 prescribes the minimum content requirements for the pre-emptive recovery plan. The proposed RTS aim to facilitate a consistent application of the aforementioned article, ensuring a harmonized approach across the insurance sector.

PUBLIC CONSULTATION

EIOPA conducted a public consultation on the draft RTS between 29 April 2025 and 31 July 2025. A stakeholder event was held on 13 June 2025 to discuss the consultation paper. Following the publication of the consultation paper, eleven stakeholders submitted their feedback. Based on the stakeholder feedback, the drafting of the draft RTS was refined seeking to introduce additional simplifications and clarifications, without changing the general approach set out in the consultation paper.

NEXT STEPS

The draft RTS will be submitted to the European Commission. In accordance with Article 10 of the Regulation (EU) No 1094/2010 (EIOPA Regulation)², the Commission will decide on the adoption of the draft RTS.

¹ 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.

² 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.

2. BACKGROUND AND RATIONALE

These draft RTS should be read in the context of the recovery and resolution planning provided for in Directive (EU) 2025/1 and the context of further technical standards and guidelines regarding pre-emptive recovery plans. The draft RTS were developed in line with EIOPA's views for better regulation and supervision³, thereby enhancing supervisory convergence through simpler, more efficient frameworks.

The global financial crisis of 2008 highlighted the need to develop an appropriate recovery and resolution framework for insurance and reinsurance undertakings and groups. More recent failures have reinforced the need for such a framework. Although a crisis at an insurer generally unfolds more slowly than at a bank, fast-moving scenarios are also possible in the insurance sector. Therefore, EIOPA considers it essential that the pre-emptive recovery and resolution framework for insurers is capable of addressing such situations as well. Supervisors and/or resolution authorities as well as insurance and reinsurance undertakings and groups must be prepared in advance to implement crisis management solutions, by having in place robust pre-emptive recovery planning and resolution planning processes. A feasible, comprehensive and timely and efficiently implemented recovery and resolution framework reduces the likelihood of failure and limits the impact in case the failure finally materializes. Furthermore, it should be considered that crisis prevention and preparation is deemed more efficient and less costly than crisis management. However, it is crucial to find the correct balance and ensure that the framework is implemented in a proportionate and effective manner, without placing unnecessary burdens on insurers, which could potentially put European insurance and reinsurance undertakings and groups at a competitive disadvantage.

These draft RTS determine and further specify the minimum elements that must be included in the pre-emptive recovery plan or group pre-emptive recovery plan of any insurance or reinsurance undertaking or group that is subject to regular planning requirements. However, pursuant to Article 4 of Directive (EU) 2025/1, supervisory and resolution authorities may determine whether simplified obligations can apply for certain insurance and reinsurance undertakings and groups with respect to the content and details of pre-emptive recovery plans or group pre-emptive recovery plans, according to the criteria specified in the Guidelines on simplified obligations. In this case, the pre-emptive recovery plan or group pre-emptive recovery plan would include some but not necessarily all elements specified by the draft RTS.

These draft RTS take into account the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions and the further FSB papers and IAIS standards in this context and the work carried out for the EIOPA Consultation Paper. The draft RTS further build on the existing regulatory developments in the area of recovery plans stipulating the key elements and essential issues that should be addressed in a pre-emptive recovery plan or group pre-emptive recovery plans.

³ [Bolder, Simpler, Faster: EIOPA's views for better regulation and supervision](#)

Drafting a pre-emptive recovery plan or group pre-emptive recovery plan is incumbent upon insurance or reinsurance undertakings or ultimate parent undertaking and is to be undertaken prior to a crisis in order to assess the potential options that an insurance or reinsurance undertaking or group could itself implement to restore financial strength and viability should the undertaking or group come under severe stress. Pre-emptive recovery plans or group pre-emptive recovery plans must be based on the assumption that extraordinary public financial support would not be provided and this must be reflected in their content.

Pre-emptive recovery plans or group pre-emptive recovery plans will be reviewed and assessed by the supervisory authorities. The objective of a pre-emptive recovery plan or group pre-emptive recovery plans is not to forecast the factors that could prompt a crisis, but rather to identify the actions that might be available to counter both an idiosyncratic and a system-wide crisis and to assess whether these actions are robust enough and sufficiently varied to cope with a wide range of shocks of different natures. This should be echoed in the content of the plans. In a crisis situation, a pre-emptive recovery plan or group pre-emptive recovery plan should serve as a guide to the recovery of a distressed insurance or reinsurance undertaking or group. A pre-emptive recovery plan or group pre-emptive recovery plan should implement the most appropriate remedial action among those analyzed, i.e. the one which would result in the most likely prospect of restoring the financial position after implementation. Selection of the remedial actions therefore needs a case-by-case analysis of potential stress situations by the insurance or reinsurance undertaking or group's management. These draft RTS take this into account when defining and structuring the minimum content.

3. DRAFT TECHNICAL STANDARDS



EUROPEAN COMMISSION

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of []

COMMISSION DELEGATED REGULATION (EU) .../...

of DD Month YYYY

**supplementing Directive (EU) 2025/1 of the European Parliament and of the Council with
regard to regulatory technical standards on the content of pre-emptive recovery plans**

[Text with EEA relevance]

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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, and in particular Article 5(12), third subparagraph, thereof,

Whereas:

- (1) This Regulation specifies the information that an insurance or reinsurance undertaking or group is to include in the pre-emptive recovery plan or group pre-emptive recovery plan. To facilitate the use of the plan in a stress situation where the reaction time is key, pre-emptive recovery plans should clearly highlight the main elements of the plan and annexes should be used for providing more detailed information. Uniform rules on the information to be included in pre-emptive recovery plans should not preclude the supervisory authorities' powers to determine simplified obligations for certain insurance or reinsurance undertakings or groups regarding the content and details of pre-emptive recovery plans, in accordance with Article 4 of Directive (EU) 2025/1.
- (2) Pursuant to Article 138 of Directive 2009/138/EC⁴, a recovery plan is required in the event of the non-compliance or risk of non-compliance with the solvency capital requirements. Unlike this recovery plan, the pre-emptive recovery plan or group pre-emptive recovery plan is drafted at an earlier stage, before any deterioration of the financial solvency position of the insurance or reinsurance undertaking or group occurs. This distinction gives rise to different content as the pre-emptive recovery plan assesses a range of hypothetical scenarios, whereas the recovery plan addresses the actual situation once it has materialized. The analyses of the potential scenarios and remedial actions developed in the pre-emptive recovery plan are intended to enable the insurance and reinsurance undertaking or group to respond more swiftly and effectively should significant financial deterioration materialize.

⁴ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, OJ L 335, 17.12.2009, p. 1.

(3) Groups present heterogeneous structures including cases where the EU insurance group is part of a group with an ultimate parent company in a third country or cases of insurance or reinsurance groups with some non-insurance or reinsurance subsidiaries. Therefore, when drafting the group pre-emptive recovery plan the ultimate parent undertaking should be aware of the aspects that could impact the effective and efficient implementation of the plan regarding, in particular, the whole structure of the group and material connections and exposures of the group covered by the plan to that part of the group that is beyond the scope. The group pre-emptive recovery plan may limit the description to particularly important aspects, where appropriate. The use of a graphic chart is recommended to facilitate the comprehension of the group's structure.

(4) In order to ensure that the pre-emptive recovery plan or group pre-emptive recovery plan can effectively be implemented in due time if necessary, it is essential to build the plan on a sound system of governance. In particular, the plan should set out how it was developed, how it should be updated, and how it would be applied. As it is crucial for the assessment of the viability of the remedial actions, the pre-emptive recovery plan or group pre-emptive recovery plan should contain information on the decision-making process with regard to the activation of the plan as an essential element of the system of governance, based on an escalation process using a framework of indicators.

(5) Remedial actions available to the insurance or reinsurance undertaking or the group should initially be described without reference to a specific scenario of financial stress. This enhances general crisis-preparedness and assist the insurance or reinsurance undertaking or group in reacting flexibly to crisis. Then, the remedial actions should be tested against specific scenarios of financial stress in order to tentatively assess which remedial actions would be efficient in each of these scenarios, thereby providing a practical test of the efficiency of the remedial actions and of the adequacy of indicators.

(6) The pre-emptive recovery plan or group pre-emptive recovery plan should also contain a communication strategy to address both internal communication to relevant internal bodies and the undertaking or group's staff, and external communication. When developing the communication strategy, the insurance or reinsurance undertaking or ultimate parent undertaking in case of a group should be mindful of any legal and regulatory requirement regarding disclosure and confidentiality, including those cases where the consultation with supervisory authorities is needed to disclose the implementation of a remedial action. Due to the unpredictable nature of potential stress events, insurance and reinsurance undertakings and groups must have a robust governance framework in place. This framework should enable them to quickly adjust their communication strategy to respond to the unique circumstances of any stress event that may occur, ensuring a timely and effective response.

(7) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Insurance and Occupational Pensions Authority.

(8) The European Insurance and Occupational Pensions Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Insurance and Reinsurance Stakeholder Group established by Article 37 of Regulation (EU) No 1094/2010.

HAS ADOPTED THIS REGULATION:

Article 1

Cross references

Where information set out in this Delegated Regulation has been submitted to supervisory authorities, supervisory authorities may choose to accept cross references to that information as sufficient for meeting the requirements set out in this Delegated Regulation if they do not compromise the completeness and quality of the pre-emptive or group pre-emptive recovery plan.

Article 2

Summary of the key elements of the pre-emptive recovery plan or group pre-emptive recovery plan

The summary of the key elements of the pre-emptive recovery plan or group pre-emptive recovery plan shall comprise a summary of the most relevant information included in the plan. The summary includes, but not limited to, the description of the insurance or reinsurance undertaking or group, the framework of indicators, and remedial actions, covering also any material changes to the plan itself.

Article 3

Description of the insurance or reinsurance undertaking or the group

1. The description of the insurance or reinsurance undertaking or group shall comprise the following information:
 - (a) a general description of the insurance or reinsurance undertaking or the group covered by the pre-emptive recovery plan or group pre-emptive recovery plan, including:
 - (i) a description of their overall global business;
 - (ii) their business model, including a list of the main jurisdictions in which they are active;
 - (iii) their core business lines;
 - (b) a mapping of core business lines of the legal entities meeting the conditions set out in paragraph 2;

- (c) a detailed description of the legal and financial structures of the insurance or reinsurance undertaking or group. This shall include a description of intra-group interconnectedness with respect to any legal entities meeting the conditions set out in paragraph 2, including in particular a description of the following matters:
 - (i) all material intra-group financial exposures, reinsurance and other risk transfer arrangements of the insurance or reinsurance undertaking that are in place with other undertakings within the group covered by the plan;
 - (ii) legal arrangements, which shall cover material legally binding agreements between undertakings of the group covered by the plan;
 - (iii) operational interconnectedness, which concerns functions that are centralised in one legal entity and are important for the functioning of other legal entities or the group covered by the plan;
 - (iv) other financial support agreements of relevance.
- (d) a description of material connections of the insurance or reinsurance undertaking or the group with counterparties that are not part of the group covered by the plan, including:
 - (i) a description of significant exposures and liabilities to main counterparties;
 - (ii) a description of significant services which are provided by the insurance or reinsurance undertaking or the group covered by the pre-emptive recovery plan or group pre-emptive recovery plan where their sudden discontinuation has any significant adverse effect on the financial system;
 - (iii) a description of significant services which third parties provide to the insurance or reinsurance undertaking or the group covered by the pre-emptive recovery plan or group pre-emptive recovery plan;
 - (iv) any significant reinsurance and other risk transfer arrangements.

2. For the purposes of points (b) and (c) in paragraph 1, the reference to legal entities shall be understood as a reference to legal entities covered by the group pre-emptive recovery plan which:

- (a) substantially contribute to the profit of the insurance or reinsurance undertaking or group covered by the group pre-emptive recovery plan, to their funding, or holds an important share of its assets, liabilities or capital;
- (b) perform key commercial activities for the insurance or reinsurance undertaking or group covered by the group pre-emptive recovery plan;
- (c) centrally perform key operational, risk or administrative functions for the insurance or reinsurance undertaking or group covered by the group pre-emptive recovery plan;
- (d) bear substantial risks that could, in a worst-case scenario, jeopardize the viability of the insurance or reinsurance undertaking or group covered by the group pre-emptive recovery plan;
- (e) could not be disposed of or liquidated without likely triggering a major risk for the insurance or reinsurance undertaking or group covered by the group pre-emptive recovery plan; or
- (f) are significant for the Member States in which they operate.

3. The pre-emptive or group pre-emptive recovery plan shall contain a brief description of any significant changes to the insurance or reinsurance undertaking or the group of which the insurance or reinsurance undertaking is part, where those changes could impact the ability of the insurance or reinsurance undertaking or group to restore its financial position.

Article 4

Framework of indicators

1. The information on the framework of indicators shall include a detailed description of the following:
 - (a) the identified quantitative and qualitative indicators that determine the triggers at which remedial actions should be considered or taken, and where possible, include a forward-looking element. The group pre-emptive recovery plan shall contain indicators that identify the triggers at the level of the ultimate parent undertaking for the group and at the level of the individual subsidiary undertakings. The indicators referring to subsidiary undertakings shall be proportionate to their relevance to the group and to policyholders, the real economy and the financial system in the Member States where those subsidiary undertakings operate;
 - (b) the consistency of the indicators with the general risk management framework of the insurance or reinsurance undertaking or group covered by the plan.
2. The framework of indicators shall include a rationale for choosing the specific indicators and triggers.
3. The framework of indicators shall be designed to provide enough time for the administrative, management or supervisory body to:
 - (a) fully evaluate the circumstances of the stress;
 - (b) engage in effective decision-making on the appropriate remedial action(s);
 - (c) implement actions to respond effectively to the emerging stress event.

Article 5

Description of how the pre-emptive recovery plan or group pre-emptive recovery plan has been drawn-up, how it will be updated and how it will be applied

1. The pre-emptive recovery plan or group pre-emptive recovery plan shall include an adequate description of the following matters:
 - (a) how the pre-emptive recovery plan or group pre-emptive recovery plan was developed and updated, including, where appropriate:
 - (i) functions responsible for preparing each section of the plan;

- (ii) function of the persons who have overall responsibility for keeping the pre-emptive recovery plan or group pre-emptive recovery plan up-to-date;
- (iii) a description of how the plan is integrated in the corporate governance of the insurance or reinsurance undertaking or group covered by the plan and in the overall risk management framework;
- (iv) date of the approval of the pre-emptive recovery plan or group pre-emptive recovery plan by the management body of the insurance or reinsurance undertaking or ultimate parent undertaking in case of a group responsible for submitting the plan;
- (v) if the insurance or reinsurance undertaking concerned is part of a group covered by the plan, a description of the measures and arrangements taken within the group to ensure the coordination and consistency of remedial actions at the level of the group covered by the plan and of individual subsidiaries;

(b) description of the frequency for the update of the pre-emptive recovery plan or group pre-emptive recovery plan, including:

- (i) timing for keeping the plan up to date through regular updates, and at least every two years. The plan shall include the date when the updates were finalized;
- (ii) factors that will trigger an update due to internal or external events, where those events could have a material effect on, or necessitate a material change of the pre-emptive or group pre-emptive recovery plan, or where those events could have a material effect on the effectiveness of the plan, or otherwise necessitate a revision of the plan, in accordance with Article 5(4) of the Directive (EU) 2025/1. The process shall ensure that any changes to the pre-emptive recovery plan or group pre-emptive recovery plan are communicated in a timely manner to relevant parties, including the supervisory authority.

(c) the conditions and procedures necessary to ensure the timely implementation of remedial actions, including a brief description of the internal escalation and decision-making process that applies when the triggers of the indicators have been met. Where relevant, the measures taken to ensure consistency between the pre-emptive recovery plan of a subsidiary, if applicable, and the group pre-emptive recovery plan shall be described.

Article 6

Range of remedial actions

1. The section on remedial actions shall set out a range of remedial actions designed to respond to severe macroeconomic and financial stress scenarios and which could reasonably be expected to restore the financial position of the insurance or reinsurance undertaking or group covered by the pre-emptive recovery plan or group pre-emptive recovery plan. The group pre-emptive recovery plan shall identify remedial actions to be taken at the level of the ultimate parent undertaking for the group perspective and at the level of its individual subsidiary undertakings covered by the plan, where appropriate. The section on remedial actions in the pre-emptive

recovery plan or group pre-emptive recovery plan shall use a consistent structure when presenting information on each individual remedial action.

2. Remedial actions shall not be excluded for the sole reason that they would require a change to the current nature of the business of the insurance or reinsurance undertaking or group.
3. In particular, the section on remedial actions shall include the following information and analyses:
 - (a) a list and description of each remedial action;
 - (b) the range of remedial actions shall include, where appropriate:
 - (i) actions, the primary aim of which is to conserve or restore the insurance or reinsurance undertaking or group's own funds through recapitalisation of the undertaking or group;
 - (ii) actions to ensure that the insurance or reinsurance undertaking or group has adequate access to liquidity so that the undertaking or group can carry on its operations and meet its obligations as they fall due;
 - (iii) actions to reduce the insurance or reinsurance undertaking or group's risk profile and related Solvency Capital Requirements set out in Directive 2009/138/EC, or to restructure the insurance or reinsurance undertaking or group's business lines, including, where appropriate, an analysis of possible divestment of assets, insurance portfolios or business lines;
 - (iv) arrangements and measures, the primary aim of which is to achieve a voluntary restructuring of liabilities, without triggering an event of default, termination, downgrade or similar;
 - (c) a description of the impact of each remedial action, which shall include, where applicable:
 - (i) a description of the financial and operational impact on solvency, liquidity, capital composition, and operations of the insurance or reinsurance undertaking or group covered by the pre-emptive recovery plan or group pre-emptive recovery plan taking into account market behaviour in a systemic or idiosyncratic stress event. The description of the impact shall clearly identify the different entities of the group which may be materially affected by the remedial action or involved in its implementation;
 - (ii) a description of the external impact and the impact on key stakeholders, in particular, on policyholders, on counterparties and, where applicable, on the rest of the group;
 - (iii) the valuation assumptions and all other relevant assumptions made for the purpose of the assessments in points (i) and (ii).
 - (d) a description of the viability of each remedial action, which shall include, where applicable:
 - (i) outcome of the analysis of the risk associated with the remedial action, drawing on any experience of executing the remedial action or an equivalent measure;
 - (ii) outcome of the analysis of any material impediment to the effective and timely execution of the remedial action. For this purpose, a material impediment is any factor that could potentially negatively affect the timely execution of the remedial

action including, in particular, legal, operational, business, financial, macroeconomic and reputational risks;

- (iii) outcome of the analysis of potential impediments to the effective implementation of each remedial action which result from the structure of the group or of intra-group arrangements, including whether there are substantial practical or legal impediments known by the subsidiary (including any supervisory measures formally enforced) to the prompt transfer of own funds or the repayment of liabilities or assets;
- (iv) solutions to the potential impediments identified under points (ii) and (iii);
- (v) outcome of the analysis of the continuity of operations during implementing of each remedial action;
- (vi) an explanation of the expected timeframe for the implementation and effectiveness of each remedial action;

(e) outcome of the assessment of the credibility and feasibility of the pre-emptive recovery plan or group pre-emptive recovery plan to restore the financial position of the insurance or reinsurance undertaking or group, and adequacy of indicators and remedial actions in a range of scenarios of severe macroeconomic and financial stress, as laid down in Article 5(7) of Directive 2025/1.

4. The section on remedial actions shall include also the outcome of the assessment regarding the compatibility among remedial actions that could be implemented in the same period of the time. For each remedial action, the insurance or reinsurance undertaking or group shall consider the impact it may have on the implementation of any other remedial actions.
5. The pre-emptive recovery plan or group pre-emptive recovery plan shall include a description of how it will be ensured that, as part of the management information systems, the information necessary for the implementation of remedial actions is available for decision-making in situations of financial stress in a reliable and timely way.

Article 7

Communication strategy

1. The description of the communication strategy shall cover the following:
 - (a) internal communication, in particular to staff or to staff representatives;
 - (b) external communication, in particular to shareholders and other investors, policyholders, counterparties, financial markets, competent authorities and the public generally, as appropriate.
2. The pre-emptive recovery plan or group pre-emptive recovery plan shall include a communication strategy that ensures a timely and accurate dissemination of information to internal and external parties.
3. The communication strategy shall consider circumstances under which the implementation of remedial actions shall be disclosed.

Article 8

Past breach of the Solvency Capital Requirement

1. In case that the insurance or reinsurance undertaking has breached the Solvency Capital Requirement laid down in Title I, Chapter VI, Section 4, of Directive 2009/138/EC and submitted a recovery plan in accordance with Article 138(2) of Directive 2009/138/EC at some point in the last 10 years, the pre-emptive recovery plan shall include in this section that recovery plan as well as an assessment of the measures taken to restore the undertaking's compliance with the Solvency Capital Requirement.
2. In case that the group has breached the group Solvency Capital Requirement laid down in Title III, Chapter II, Section 1, of Directive 2009/138/EC and submitted a recovery plan in accordance with Article 218(4) of Directive 2009/138/EC at some point in the last 10 years, the group pre-emptive recovery plan shall include in this section that recovery plan as well as an assessment of the measures taken to restore the group's compliance with the group Solvency Capital Requirement.

Article 9

Entry into force and application

This Delegated Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Delegated Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

[For the Commission]

[The President]

[For the Commission]

[On behalf of the President]

[Position]

ANNEX 1: IMPACT ASSESSMENT

OBJECTIVES

This draft RTS aim at providing a more harmonized EU framework by specifying the minimum content of the pre-emptive recovery plans and group pre-emptive recovery plans.

In drafting this RTS, EIOPA sticks to the general objectives of the Directive (EU) 2025/1:

- Enhance preparation, coordination and cooperation.
- Reduce the likelihood of failure.
- Ensure proper functioning of the internal market and level playing field.

In particular, in view of the specific purpose of these technical standards, the following more specific objectives were identified:

- Promoting good risk management, enhancing readability of the pre-emptive recovery plan or group pre-emptive recovery plan to improve efficiency in a crisis situation, while,
- Reducing operational cost and burden for the insurance or reinsurance undertakings or ultimate parent undertaking.
- Effective and efficient supervision, guaranteeing the most relevant information is provided to the authorities to allow a proper assessment of the pre-emptive recovery plan or group pre-emptive recovery plan.

The starting point for this impact assessment is that existing provisions following from the level 1 text are already in place and that the other provisions included in this draft RTS will be implemented as proposed. As a result, this assessment only considers the additional impact of each specific policy issue under discussion.

POLICY ISSUES

POLICY ISSUE A: PRESCRIPTIVENESS OF CREDIBILITY AND FEASIBILITY ASSESSMENT

EIOPA is empowered to develop draft regulatory technical standards specifying the content of the pre-emptive recovery plans in order to ensure consistent application, according to Art. 5 (12) (c) IRRD referring to Art. 5 (6) IRRD. Notwithstanding the aforesaid, this policy issue considers the prescriptiveness of the content regarding the assessment of the pre-emptive recovery plan referred in art. 5 (7) Directive (EU) 2025/1, taking into consideration that the core of the content of a pre-emptive recovery plan is regulated in art. 5(1), (6) and (8) IRRD but there is a clear and direct link between these

elements and “the credibility and feasibility assessment” under art. 5(7) IRRD. Article 7 (3) IRRD remits to art. 5 when regulating the group pre-emptive recovery plans.

POLICY OPTIONS

POLICY ISSUE A: PRESCRIPTIVENESS OF CREDIBILITY AND FEASIBILITY ASSESSMENT

Policy option A.0: Pre-emptive recovery plan or group pre-emptive recovery plan with no information regarding the assessment

Under this policy option, the draft RTS do not consider any aspect of the credibility and feasibility assessment of the pre-emptive recovery plan or group pre-emptive recovery plan, mentioned in Article 5 (7) of the Directive (EU) 2025/1, to be part of plan. Therefore, the full assessment will be part of a separate document.

Policy option A.1: Pre-emptive recovery plan or group pre-emptive recovery plan with only the outcome of the assessment

Under this policy option, the draft RTS consider that only the outcome of the credibility and feasibility assessment of the pre-emptive recovery plan or group pre-emptive recovery plan, mentioned in Article 5 (7) of the Directive (EU) 2025/1, shall be part of the plan. Therefore, the pre-emptive recovery plan or group pre-emptive recovery plan shall include a description of the impact of each remedial action and the outcome of the different assessments conducted by the insurance or reinsurance undertaking or ultimate parent undertaking regarding the indicators and the credibility and feasibility of the plan. Full assessment will be part of a separate document.

Policy option A.2: Pre-emptive recovery plan or group pre-emptive recovery plan with the full assessment

Under this policy option, the draft RTS consider that the full assessment of the credibility and feasibility of pre-emptive recovery plan or group pre-emptive recovery plan, mentioned in Article 5 (7) of the Directive (EU) 2025/1, shall be part of the plan. Therefore, the pre-emptive recovery plan or group pre-emptive recovery plan shall include the full assessment of the impact of each remedial action and the full assessments conducted by the insurance or reinsurance undertaking or ultimate parent undertaking regarding the indicators and the credibility and feasibility of the plan, including all the underlying assumptions, criteria, calibrations, etc. used.

IMPACT OF THE POLICY OPTIONS

In assessing the impact of the policy options, special attention is devoted to the potential areas or functions where the costs could arise as a result of the different policy options. A more detailed estimation of the (monetary) costs would depend on several different variables, such as the company-specific process and procedures, the size and nature of the entity.

POLICY ISSUE A: PRESCRIPTIVENESS OF CREDIBILITY AND FEASIBILITY ASSESSMENT

Policy option A.0: Pre-emptive recovery plan or group pre-emptive recovery with no information regarding the assessment

The pre-emptive recovery plan or group pre-emptive recovery plan shall not include any information regarding the credibility and feasibility assessment under art. 5 (7) IRRD.

Policy option A.0		
Costs	Policyholders	-
	Industry	From an internal governance's perspective, in case the pre-emptive recovery plan or group pre-emptive recovery plan and its assessment are in different documents, there could be an increase of the risk of lack of consistency and it could hinder the revision of the assessment and the plan. The preparation and maintenance of multiple documents will entail a significant increase in monetary costs, impacting in different departments of the insurer, such as the risk management department, compliance department, finance department and IT department. In a number of cases, the undertaking or ultimate parent company shall be required by the supervisory authority to submit additional information regarding the credibility and feasibility assessment.
	Supervisors	The lack of information regarding the assessment will not ensure an adequate supervisory review. Supervisors shall make ad-hoc requirements regarding the assessments conducted by the insurance or reinsurance undertaking or ultimate parent company to be able to conduct at least a minimum review of the plan, increasing operational efforts and costs.
	Other	-
Benefits	Policyholders	-

	Industry	Pre-emptive recovery plans or group pre-emptive recovery plan will be more readable and less time consuming in a crisis situation enhancing efficiency.
	Supervisors	Pre-emptive recovery plans or group pre-emptive recovery plans will be shorter and more readable.
	Other	-

Policy option A.1: Pre-emptive recovery plan or group pre-emptive recovery plan with the outcome of the assessment

Pre-emptive recovery plan or group pre-emptive recovery plan shall only include the outcome of the credibility and feasibility assessment under art. 5 (7) IRRD.

Policy option A.1		
Costs	Policyholders	-
	Industry	The inclusion of the outcome of the assessment will potentially increase the operational costs of the undertaking. It would also represent a moderate increase in the monetary cost regarding the elaboration of the plan impacting in different departments of the undertaking, such as the risk management department, compliance department, finance department and IT department. In few specific cases, the undertaking or ultimate parent company shall be required to submit additional information regarding the credibility and feasibility assessment.
	Supervisors	Pre-emptive recovery plans or group pre-emptive recovery plans will not contain the full assessment, and where needed for a proper supervision, supervisors shall make ad-hoc requirements for additional information, increasing operational efforts in some cases.
	Other	-
Benefits	Policyholders	-
	Industry	This option will ease the revision of the plan and its consistency with the self-assessment.
	Supervisors	Pre-emptive recovery plans or group pre-emptive recovery plans will be readable, providing at the same time, relevant information

		from a supervisory perspective. Pre-emptive recovery plans or group pre-emptive recovery plans shall contain the most relevant information, and therefore, just in some specific cases, the supervisor will need to require ad-hoc information and in the majority of the cases, the information provided will be enough to guarantee a proper supervision.
	Other	-

Policy option A.2: Pre-emptive recovery plan or group pre-emptive recovery plan with the full assessment

Pre-emptive recovery plan or group pre-emptive recovery plan shall include the full credibility and feasibility assessment under art. 5 (7) IRRD.

Policy option A.2		
	Policyholders	-
Costs	Industry	The pre-emptive recovery plan or group pre-emptive recovery plan will probably be very extensive and therefore difficult to read and manage. It would also represent substantially higher monetary costs regarding the elaboration of the plan for different departments of the undertaking, such as the risk management department, compliance department, finance department and IT department. In a crisis situation, it is essential to be efficient, so the insurance or reinsurance undertaking or ultimate parent company could be encouraged to develop an executive version to save time in a stressed situation. Therefore, under this option the operational costs increase.
	Supervisors	The pre-emptive recovery plan or group pre-emptive recovery plan will be difficult to read and therefore difficult to compare with other pre-emptive recovery plans or group pre-emptive recovery plans, increasing operational costs and potentially jeopardizing supervisory convergence. Increased personnel and resource costs to review and analyze the comprehensive information.
	Other	-
Benefits	Policyholders	-

	Industry	The risk of inconsistency between the pre-emptive recovery plan or group pre-emptive recovery plan and the self-assessment will be minimized as both will be part of the same document.
	Supervisors	Under this option, all relevant information from a supervisory perspective will be included in the pre-emptive recovery plan or group pre-emptive recovery plan.
	Other	-

COMPARISON OF POLICY OPTIONS

The effectiveness and efficiency of the different policy options are compared in the following tables.

EFFECTIVENESS (0,+,++)			
	Enhancing readability and efficiency	Reducing operational costs	Allowing proper supervision
Policy option A.0	++	++	0
Policy option A.1	++	++	+
Policy option A.2	0	0	++

EFFICIENCY (0,+,++)			
	Enhancing readability and efficiency	Reducing operational costs	Allowing proper supervision
Policy option A.0	++	+	0
Policy option A.1	++	++	++
Policy option A.2	0	0	+

In terms of monetary costs, Policy Option A.0 is expected to result in higher costs for the industry due to the need for separate documentation and potential ad-hoc requests. Policy Option A.2 is expected to result in substantially higher costs for the industry due to the inclusion of the full assessment in comparison to Policy Option A.1.

PREFERRED OPTION

Policy Option A.1, compared to Policy Option A.2, does not require the insurance or reinsurance undertaking or ultimate parent company to include the whole credibility and feasibility assessments in the pre-emptive recovery plans or group pre-emptive recovery plans, reducing the burden on the

industry and minimizing unnecessary costs. By including only the outcome of the assessment, Option A.1 reduces the costs associated with preparing and maintaining extensive documentation, while still providing supervisors with the necessary information to conduct their oversight responsibilities. This approach is expected to result in moderate costs for the industry, which is a more manageable and sustainable burden compared to the substantially higher costs associated with Option A.2, which may provide more comprehensive information, but a significantly higher cost, which may not be justified by the potential benefits.

On the other hand, in Policy Option A.1, the supervisory authorities shall only need to require additional information in specific cases, unlike what happens in relation to Policy Option A.0 where, although in both cases the plans are expected to be readable, supervisory authorities shall need to require additional information in all the cases as the pre-emptive recovery plans or group pre-emptive recovery plans shall not include any reference to the credibility and feasibility assessment. Therefore, Policy Option A.0 may result in higher costs for the industry in the long run due to the need for separate documentation and ad-hoc requests from supervisory authorities.

From a supervisory perspective, Option A.1 is also considered the most cost-effective approach. By requiring the inclusion of the outcome of the credibility and feasibility assessment in the pre-emptive recovery plan, supervisors can conduct their oversight responsibilities with a reasonable level of efficiency and effectiveness, without incurring excessive costs.

Based on the evidence provided in the assessment above, **Policy Option A.1 has been indicated as the preferred option**. This option represents a more cost-effective approach, as it achieves a reasonable balance between the need for information and the need to minimize costs. Besides the efficiency and effectiveness and cost benefit analysis, this option is also the one that provides National Supervisory Authorities with the right tools for proper supervision while not exceeding the mandate of the IRRD.

ANNEX 2: FEEDBACK STATEMENT

This feedback statement sets out a high-level summary of some the consultation comments received and EIOPA's assessment of them. The full list of all non-confidential comments provided can be found on EIOPA's website.

EIOPA received comments from its Insurance and Reinsurance Stakeholder Group (IRSG) and from 10 other stakeholders, mainly insurance associations.

As part of the consultation EIOPA held a Workshop with stakeholders on content of pre-emptive recovery plans and methods and criteria to determine the market share for the scope of recovery plans on 13 June 2025.

EIOPA would like to express its appreciation for the feedback of the stakeholders during the preparation of the draft RTS.

- **REDUCE ADMINISTRATIVE BURDENS**

Stakeholder comments

Several stakeholders recommended limiting the level of detail and amount of text in the draft RTS in order to reduce administrative burdens for both national authorities and undertakings. According to that feedback, following the Commission's simplification agenda to reduce operational and reporting burdens on firms, existing reports already produced and available to NCAs, should be referenced whenever possible to avoid duplicative reporting to supervisors.

Assessment

Since the start of the work, EIOPA has sought to minimise the burden to national authorities and undertakings. Following the public consultation, EIOPA continued assessing if further reduction in burden or simplifications were possible, and subsequently implemented amendments to achieve these objectives (e.g. deleting the requirement of identifying certain persons or functions involved in the update or development of the plan, or deleting the reference to remedial actions extraordinary in nature, among others). In addition, the RTS envisage the possibility of supervisory authorities to accept cross-references to other documents previously submitted to the supervisor, thereby avoiding unnecessary repetition and reducing the administrative burden for undertakings.

- **IMPACT ASSESSMENT**

Stakeholder comments

Several stakeholders proposed that the impact assessment accompanying the draft RTS should also evaluate the financial burden placed on insurance undertakings (i.e. the costs, for the undertakings).

Assessment

It should be noted that the impact assessment carried out does not refer to the IRRD level 1 text, but to the specific policy issues and policy options identified. 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, a comprehensive impact assessment has been conducted to evaluate the benefits and costs of the different options, ensuring that the draft RTS are proportionate, effective, and efficient in achieving their intended outcomes while minimizing unnecessary burdens on stakeholders. The impact assessment was therefore refined to fulfil the expected requirements to the extent possible.

- **FIRST PRE-EMPTIVE RECOVERY PLAN**

Stakeholder comments

Several stakeholders pointed out that considering the IRRD will enter into force in 2027, the first submission of pre-emptive recovery plans should be no earlier than 2029 to allow adequate time for preparatory work.

Assessment

The timeline for the preparation of the first pre-emptive recovery plan is beyond EIOPA's mandate which is limited to the content of the pre-emptive recovery plan. In addition, the IRRD does not consider any transitional period.

- **CRITICAL FUNCTIONS**

Stakeholder comments

Several stakeholders have proposed the deletion of references to critical functions in the pre-emptive recovery plan, on the grounds that this would be beyond the mandate of the RTS. Additionally, from a practical standpoint, it is contended that the Resolution Authority would need to have completed the identification and communication of critical functions before the insurer could finalize its first (group) pre-emptive recovery plan.

Assessment

Following a thorough legal analysis, the draft RTS have been revised to exclude references to critical functions.

- **SPECIFIC ARTICLES FOR SOLO AND GROUP**

Stakeholder comments

Some stakeholders proposed that the draft RTS could benefit from the inclusion of distinct articles outlining obligations at both the solo and group levels, with the aim of enhancing clarity and avoiding potential confusion.

Assessment

After careful consideration of the suggestion, the draft RTS continue to address both solo and group plans simultaneously, highlighting group-specific aspects where relevant to avoid duplication and

ensure a more structured approach. This approach is in line with the principle of simplification, which aims to avoid overly lengthy regulatory texts.