FEEDBACK STATEMENT TO PUBLIC CONSULTATION ON EIOPA'S ADVICE ON MINIMUM COMMON STANDARDS FOR INSURANCE GUARANTEE SCHEMES IN THE EU

This feedback statement sets out a high-level summary of the consultation comments received by public stakeholders and EIOPA's assessment of them. The full list of non-confidential comments provided can be found on EIOPA's website. EIOPA received comments from its Insurance and Reinsurance Stakeholder Group (IRSG) and from twenty other stakeholders, including insurance industry and associations, consumer protection organizations and national insurance guarantee schemes.

As part of the public consultation EIOPA held a workshop with stakeholders to discuss the draft Advice on 17 June 2026. Previously during February 2026, EIOPA collected stakeholders' comments on issues and topics considered for the draft Advice via an online survey. The launching of the survey was accompanied by a public workshop which took place on 4 February 2026. EIOPA would like to express its appreciation for the feedback of the stakeholders during the preparation of the Advice.

1. GENERAL TOPICS RAISED

Costs and economic impact

Stakeholder comments

Stakeholders argued that the costs of minimum harmonisation were underestimated and that benefits were not sufficiently demonstrated. Others responded that the hardship caused by insurance failures justifies minimum safety nets unless evidence clearly shows that costs exceeded consumer benefits. Some noted that the analysis did not reflect how IRRD implementation after 2027 could reduce residual policyholder losses.

Assessment

The Advice distinguishes between three types of IGS-related costs: protection costs -highly dependent on the losses incurred in actual failures and on the funding model (i.e. ex-ante contributions or ex-post levies to fund policyholder payouts), one-off costs -dependent on the starting point of each country (i.e. setting up a new IGS or adapting an existing one to minimum standards), and ongoing administrative costs. While the first two types depend on different variables like for example the target funding level, as a result of the comments received further analysis was done on the ongoing administrative costs and it has been included in the Advice that actual costs from active national schemes are marginal in years without failures. However, final costs will ultimately vary based on the operating and funding model.

The key benefit of harmonising IGS is preventing the severe financial and personal hardship caused by insurer failures to individual policyholders as well as further reducing the potential use of public funds

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beyond the safeguards and objectives already embedded in the IRRD. Minimum harmonisation of IGS ensures that the Single Market works also in case of failure of a cross border insurer, establishing consistent policyholder protection regardless of geographic location. This additional safety could boost consumer trust and cross-border confidence, reducing consumer mistrust of providers and products from other Member State by giving confidence to consumers that there are some minimum common rules and safety nets in cases of insolvency. Furthermore, these reliable safeguards directly support the European Commission's Savings and Investments Union (SIU) by giving households the confidence to transition their savings into long-term insurance-based investment products. Finally, because insurance remains the only major retail financial sector in the EU without minimum harmonised protection, aligning IGSs with the standards already established in banking and securities levels the playing field, strengthening the overall competitiveness.

While the quantitative data pre-dates the post-2027 IRRD implementation (meaning exact loss reductions cannot be modelled today), the frameworks are highly complementary. The IRRD reduces the likelihood and impact of failures but is not aimed at eliminating policyholder losses entirely. Therefore, the rationale for a harmonised IGS safety net of last resort remains unchanged. Any success by the IRRD in preventing or mitigating failures may directly lower IGS payout costs, ultimately reducing the ex-ante and ex-post contributions required from the industry. Although the industry had the opportunity to submit real cost numbers via the public consultation, EIOPA unfortunately did not receive any further information or a clear picture regarding these cost estimates and therefore cannot recalculate the exact economic impact. Furthermore, there is no evidence to suggest that these implementation costs would outweigh the clear consumer benefits. In response to concerns that IGS compliance costs will simply be pushed down to policyholders and deter market activity, it is vital to note that insurance products continue to be purchased and demanded by consumers across the 17 EU Member States that already have national guarantee schemes actively in place.

Transparency benchmarks

Stakeholder comments

Stakeholders warned that the absence of quantitative guiding principles for IGS harmonisation could lead to significant divergence in protection levels across Member States.

Assessment

In response to these comments, the final text supports disclosure on IGS by introducing a new paragraph to the introduction of the advice providing transparency for policyholders on whether their policy is protected by an IGS or not and to what extent in a simple easy-to-understand manner.

Timing relative to IRRD implementation

Stakeholder comments

Stakeholders argued that harmonisation of IGS should not proceed until IRRD will be fully implemented and tested, due to uncertainties around financing and operational arrangements on national basis.

Assessment

In response to these comments, the final text expands the explanation of timing considerations acknowledging that implementation of IRRD will continue for some time beyond the application date

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in January 2027. Increasingly more technical details will get worked out over time and these can serve as additional input to any potential legislative process for IGS harmonization. However, the final text crucially also states that the main aspects of national implementation should reasonably be known by the IRRD transposition deadline as set by the Directive.

Moral hazard

Stakeholder comments

Several stakeholders argued that the issue of moral hazard was not included in the advice. They suggested that the aspect of moral hazard could not only occure for insurance undertakings regarding funding contributions to IGS funding, but also for supervisors or society as a whole, favouring IGS resolution versus undertaking recovery.

Assessment

The aspects of moral hazard was referred to in the context of the 2020 review of Solvency II indicating potential effects on consumers and insurers requesting Member States to take such potential impacts into account. As moral hazard goes beyond financial aspects covering as well psychological issues, EIOPA refrained from additional assessments. However, for insurers' contributions to IGS funding, the advice repeats previous EIOPA work by favouring a risk-based approach which reflects the risk appetiteof market players. The issue of moral hazard is referred to in the advice by a footnote and more elaborated in the technical annex via a blue box added.

2. GENERAL ISSUES ABOUT THE IMPACT OF MINIMUM HARMONISED IGS

Cross-border challenges

Stakeholder comments

Stakeholders expressed differing views on the causes of poor cross-border outcomes. Some argued that language barriers and coordination issues created the main difficulties. Solvency II already provides a level playing field for cross-border activity, and its recent review explicitly addressed concerns related to cross-border business and home-host supervisory cooperation by strengthening cooperation, notification requirements and coordination mechanisms between home and host authorities. Other stakeholders clearly argued that even significant improvements in these operational issues could not resolve the deeper vulnerability created by the absence of minimum IGS standards in certain Member States which in practice leads to disparate outcomes.

Assessment

In response to these comments, no change was made to the overall direction of the analysis. In fact, EIOPA's experience with failures in cross-border contexts shows that, even when documentation and communications are drafted in local languages and there is close cooperation amongst NCAs, inconsistent outcomes emerge due to limits in terms of scope and/or geographical coverage.
Despite the above, a clarification has been included explaining that a consumer's preference to buy insurance or financial products from providers in its home Member States may be driven by factors other than solvency risk. Consequently, while aligning IGS removes a primary obstacle, other aspects need to be taken into account. Improvements in cross-border supervision and information flows are valuable but do not resolve the fundamental issue that some Member States operate without any

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policyholder safety net in case of failure of an insurer. Minimum harmonisation is therefore a necessary baseline to ensure protection across all jurisdictions, while cross-border activity remains an important aspect to consider in designing an effective framework.

Product heterogeneity versus standardization

Stakeholder comments

Stakeholders expressed diverging views on the level of standardization across European insurance products, particularly regarding how these differences should influence the scope of IGSs:

- Some stakeholders argued that the analysis overstates product standardization. They emphasize that legal frameworks, taxation, social security systems, and local cultures drive significant differences in product design. Products like life insurance, pensions, and health insurance are deeply embedded in national systems. In addition, even if non-life products (motor, property, casualty) look similar at a high level, they vary greatly in practice (e.g. bundled packages).

- Conversely, other stakeholders agreed that there is a significant level of standardization in the core features of many European insurance products. They point to Insurance-Based Investment Products (IBIPs) as a prime example: despite having many variations, they share a common structure (an investment core wrapped in biometric risk protection). Because of this shared structure, these stakeholders suggested IBIPs are an ideal starting point for minimum IGS standards.

Assessment

Acknowledging the variations highlighted by some of the stakeholders, the Advice, rather than forcing a rigid, "one-size-fits-all" product standardization, proposes a framework that focuses on the core underlying risks insured rather than on the particular product features. This establishes a protective baseline centered on high-impact risks to safeguard policyholders where they are most vulnerable, leaving flexibility for Member States to identify the policies commercialized at national level that correspond to the eligible policies, as identified in the EIOPA advice.

IGS mandate and scope

Stakeholder comments

Stakeholders expressed a wide range of views on the appropriate scope of IGS coverage. Proponents of maintaining national control argued that a decentralized approach is essential to respect the deep-seated differences in domestic social, legal, and tax systems. From this perspective, local supervisors remain best positioned to determine which products require protection based on specific domestic market failures and consumer habits. Conversely, advocates for broad, harmonized coverage across all life and non-life policies argued that a patchwork of national approaches would expose policyholders to the risk of under-protection. They emphasized that consistent consumer protection is vital for building trust in cross-border insurance purchasing. Without a comprehensive baseline, regulatory gaps could lead to consumer confusion, competitive distortions, and uneven protection for policyholders in the event of a major cross-border insurer failure.

Assessment

A targeted approach is necessary to properly balance the expected consumer benefits against the associated costs and administrative burdens of minimum harmonization.

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EIOPA considers this targeted scope to be the optimal solution for several reasons:

-Establishing a Safety Baseline: The primary goal of minimum harmonization is to build a reliable, common baseline of protection for European policyholders, ensuring core risks are covered across the board. Without a unified, targeted framework, leaving IGS coverage entirely to national discretion will perpetuate a fragmented landscape of consumer protection across the EU.

-Proportionality: Focusing on high-impact, core coverages ensures that the regulatory framework remains proportional, avoiding excessive compliance costs that may ultimately be passed on to consumers.

Pensions

Stakeholder comments

Stakeholders emphasised that pensions were deeply embedded in national legal and social systems. They argued that harmonisation that may not reflect these national structures would fail to deliver proportionate and effective outcomes.

Assessment

Pension products are critically important for several reasons. and EIOPA's has identified the pensions gap as a growing risk for consumers for a number of years.[1] There is also a growing need to channel consumers' savings towards more long-term investments and finally, pensions products represent consumers' retirement saving with a critical societal importance. Therefore, any reduction in the benefits provided under such products could result in significant financial hardship for affected policyholders and more broadly have societal implications, including leading to long term trust issues. However, further analysis is needed due to the complexity of national pension systems. A clarification has been included in the Advice stating that operationalising IGS coverage for pensions requires further work, including an assessment of feasibility and design options, and highlights the need to respect national pension structures.

More granular country level studies

Stakeholder comments

Stakeholders requested some more granular studies, for example noting that JRC results varied significantly across countries depending on insurers' default probabilities and exposures. They argued that more detailed cross-border data was necessary for future calibration.

Assessment

EIOPA acknowledges the request for more granular country-level studies and detailed cross-border data, but notes that insurer failures occur. The historical dataset does not allow for support more granular, country-specific quantitative analyses. Under the specific context of this Call for Advice, EIOPA considers the current analysis to be proportionate to support the policy recommendations presented.

[1] See for example EIOPA's 2025 Consumer Risk Heatmap Consumer trends in insurance and pensions 2025: Heatmap with key findings - European Insurance and Occupational Pensions Authority.

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3. OPERATIONAL FUNCTIONING OF IGS

Degree of harmonization

Stakeholder comments

For every item of section 2 (triggers for IGS activation, time for submission of claims, deadline for payouts, continuation of policies, insolvency ranking), several stakeholders challenged the benefits of harmonising operational elements on the ground that it would require modifying legal frameworks strongly tied to national preferences (such as insolvency law, civil law etc.).

Besides, some stakeholders argued that the trigger for IGS activation should not be the undertaking being "failing or likely to fail" (FOLTF) as this concept is not clear enough and might lead to early activation , or be used to save a failing insurer, plus that opting for this trigger would blur the lines between resolution and IGS use.

Assessment

The need to amend existing legislation, as well as the costs associated with such amendments have already been considered in the impact assessments as presented in the Technical Annex. EIOPA suggests harmonisation of these operational aspects, explaining why this has added value whether for policyholders or for the industry, to avoid significant differences of protection for policyholders that are in similar situations but in different Member States, or that bought insurance products on cross-border basis, and to ensure a relative level playing field between undertakings.
On using "failing or likely to fail" as a trigger, the Advice does not consider that this requirement is enough for IGS activation since it is specified that it comes along with the requirement that there is no reasonable prospect that any alternative private sector measures or supervisory action, including preventive and corrective measures, would prevent the failure of the undertaking within a reasonable timeframe.

4. CONDITIONS FOR EFFECTIVE FUNDING

Proportionality applied

Stakeholder comments

Stakeholders stressed that proportionality on national level was essential when designing funding requirements, particularly hybrid funding, to avoid excessive costs for policyholders.

Assessment

In response to these comments and acknowledging that EIOPA's advice is considered as relevant input for the legislative process, proportionality aspects are strengthened with references to Member States' flexibility. Funding arrangements should not aim at uniform institutional design across Member States, but rather at ensuring consistent and effective consumer protection outcomes while reflecting differences in market structure and scale.

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Differentiation of funding needs

Stakeholder comments

Stakeholders requested clearer guidance on whether contributions to IGS should be calibrated by line of business or pooled across eligible lines asking for differentiation of funding needs for life and non-life business.

Assessment

The final text does not include general statements on differences between life and non-life insurance regarding IGS funding needs. Such statements are avoided because funding needs depend on multiple design choices and not only on lines of business covered emphasising that calibration should reflect the specific functions and coverage of each IGS. EIOPA's advice aims not at uniform institutional design across Member States, but rather at ensuring consistent and effective consumer protection outcomes while reflecting national differences in market structure and scale.

Caps on insurer's contributions

Stakeholder comments

Stakeholders proposed introducing caps on individual insurer contributions, both for annual ex-ante levies as well as for emergency ex-post calls after failures have occurred.

Assessment

In response to these comments, the advice confirms that contribution limits should be considered as already addressed by earlier EIOPA work, for example in EIOPA's 2020 opinion stating that upper limits should exist to the contribution of insurers but that their calibration remains a national matter for Member States considering specific national characteristics.

Transitional arrangements

Stakeholder comments

Stakeholders suggested introducing transitional funding arrangements to build up ex-ante funds. Some stakeholders asked to recognise existing national mechanisms for IGS funding. Where significant funding requirements could arise which increase cost, a gradual approach should be considered.

Assessment

With previous EIOPA work considered, especially EIOPA's advice 2020, a reference is included in the advice reflecting upon a suitable transition period to ensure that the target level can be achieved. Regarding recognition of existing IGS, EIOPA clarifies that existing national mechanisms may remain where compatible with the new legal framework, but where they are not, changes may be required.

Ring fenced assets

Stakeholder comments

Ring fencing of assets, which could be transferred to IGS-funding mechanism in case of failure, was favoured by some stakeholders. However, the immediate transfer of such assets to the IGS was

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challenged and questioned as such transfer depends on national legal arrangements and may raise issues related to creditor hierarchy, legal certainty and operational feasibility. In addition, some stakeholders requested that ex-ante contributions made by market participants should be held in a ring-fenced fund dedicated to IGS purposes and separate from general government or institutional budgets.

Assessment

In response to these comments, EIOPA clarifies that the option of ring fencing is listed as one of the potential safeguards' measures for IGS funding. The advice does not prescribe any specific type of safeguards, so if and insofar this option doesn't work other safeguards would need to be used. EIOPA agrees that such transfer might not be 'immediate' and changes the advice accordingly. Regarding ring-fenced fund dedicated to IGS purposes, EIOPA agrees to such addition which was added to the advice.

Liquidity safeguards

Stakeholder comments

Stakeholders opposed to introduce liquidity safeguards on mandatory basis, arguing that such requirement may increase costs even in markets with low failure probabilities or existing IGS protection respective existing alternative mechanisms.

Assessment

The final text retains the requirement for liquidity safeguards for IGS funding while emphasising that these measures should remain proportionate and adaptable to national market characteristics and should consider existing arrangements which serve the purpose of the underlying EU-wide funding principles.

5. INTERACTION BETWEEN IRRD AND HARMONISED IGS

Separation of mandates

Stakeholder comments

Stakeholders stressed that IGS and IRRD should remain clearly separated in purpose, governance, and financing to avoid mandate confusion and the risk of turning IGS into a resolution backstop.

Assessment

In response to these comments, the final text strengthens the explanation of the need for clarity in the roles and responsibilities of IGS and NRAs to ensure effective governance and financing. In that regard it also clarifies that a full separation of mandates is not always self-evident and that overlaps cannot always be prevented, for which also coordination arrangements are necessary. A clear example of an overlap is when IGS take on an administrative role in resolution by functioning as a bridge undertaking or solvent run-off.

Overlapping funding mechanisms

Stakeholder comments

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Stakeholders warned that overlapping funding mechanisms may increase costs and distort the decision of whether to take a failing undertaking into resolution or normal insolvency proceedings apply, as the decision would be based on funding availability rather than public interest considerations.

Assessment

The Advice already includes the principle that the combination of IGS and resolution financing arrangements should be designed in such a way that overlap is avoided, available resources can be used as efficiently as possible, and the choice between resolution or insolvency is not impacted, so no further change necessary.

IGS intervention as last resort

Stakeholder comments

Stakeholders requested that IGS should intervene only as a last resort, and only once supervisory, recovery and resolution options are fully exhausted. Earlier intervention would undermine market discipline, shift costs to firms with stronger solvency and may turn IGS into a viability-restoration tool.

Assessment

In response to these comments, the final text clarifies that resolution occurs only after a failing-or-likely-to fail determination, provided that there is no reasonable prospect that any alternative private sector measures or supervisory action, including preventive and corrective measures, would prevent the failure of the undertaking within a reasonable timeframe.. The text specifies that IGS-support in resolution is always principally used to limitlosses to be borne by policyholders, consistent with the last-resort protection role, and not to restore viability of the failing undertaking.

Scope and nature of coordination

Stakeholder comments

Stakeholders asked for that coordination between IGS and resolution authorities is necessary but should remain limited, focusing on information exchange and procedural cooperation. Integrated governance would be disproportionate, particularly for smaller markets.

Assessment

EIOPA underlines and maintains the importance of coordination but leaves discretion to Member States regarding its exact form, nature and scope. Coordination mechanisms can be adapted to national specificities while ensuring effective information sharing and cooperation between IGS and resolution authorities.

Potential differences in resolution effectiveness

Stakeholder comments

Following stakeholders' argumentation, differences in national IRRD-implementation might make resolution frameworks in some Member States relatively more effective than in others. Stakeholders indicated that the more effective resolution action becomes, the less need there might be for IGS-

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intervention and vice versa. In case this dynamic applies, stakeholders wondered whether there is a need for a uniform baseline of IGS-protection across the EU.

Assessment

The aim of the IRRD-implementation is a consistent application across Member States, in which EIOPA will play a role to support supervisory convergence, but the extent to which differences between Member States will exist, these cannot be a reason for having unequal policyholder protection. In any case, IGS-harmonization would further strengthen the level playing field of policyholder protection.

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