



EIOPA issues a staff paper on the proposal for an Insurance Recovery and Resolution Directive

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The European Insurance and Occupational Pensions Authority (EIOPA) published today a staff paper that provides an overview of the proposal for an Insurance Recovery and Resolution Directive (IRRD) put forward by the European Commission in September 2021. In its staff paper, EIOPA welcomes the proposal as it addresses all relevant building blocks of a recovery and resolution framework and focuses on cooperation and coordination among authorities.

The paper outlines that the IRRD is a comprehensive framework taking into account the insurance-specific features. The main benefits of the proposed IRRD are:

- One single framework across the EU, which seeks to minimise the potential impact on policyholders and the stability of the system as a whole in case of insurance failure.
- Preventive planning as a fundamental element of the framework with the underlying idea that

crisis prevention is less expensive and more effective than crisis management.

- Appointment of resolution authorities with specialised knowledge of the insurance undertaking and the resolution process.
- Clear conditions for resolution and adequate safeguards in line with international standards.
- A broad range of proposed resolution tools providing authorities with flexibility to reach an optimal solution in any situation.
- Resolution colleges addressing the need for cooperation and coordination among authorities, which will ensure a successful resolution process, particularly in cross-border cases.

Along with this, EIOPA is of the view that the main elements of the proposal should be kept during the negotiation process.

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