

# Consultation Paper on the proposal for Regulatory Technical Standards on the content of (group) pre-emptive recovery plans

Fields marked with \* are mandatory.

## Responding to the paper

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The European Insurance and Occupational Pensions Authority (EIOPA) has published a Consultation Paper on the proposal for Regulatory Technical Standards on the content of (group) pre-emptive recovery plans.

Stakeholders are invited to provide their feedback on the consultation paper by **31 July 2025, 23:59 CET**. The feedback received will be taken into account in the finalisation of the RTS.

Comments are most helpful if they:

- respond to the question stated, where applicable;
- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

To submit your comments, please click on the blue “Submit” button in the last part of the survey. Please note that comments submitted after 31 July 2025 or submitted via other means will not be processed. In case you have any questions please contact [IRRD\\_PC@eiopa.europa.eu](mailto:IRRD_PC@eiopa.europa.eu).

### Publication of responses

Your responses will be published on the EIOPA website unless: you request to treat them confidential, or they are unlawful, or they would infringe the rights of any third party. Please, indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. EIOPA may also publish a summary of the survey input received on its website.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents and [EIOPA's rules on public access to documents](#).

### Declaration by the contributor

By sending your contribution to EIOPA you consent to publication of all non-confidential information in your contribution, in whole/in part – as indicated in your responses, including to the publication of the name of your organisation, and you thereby declare that nothing within your response is unlawful or would infringe the rights of any third party in a manner that would prevent the publication.

### Data protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. EIOPA, as a European Authority, will process any personal data in line with Regulation (EU) 2018/1725. More information on how personal data are treated can be found in the privacy statement at the end of the public consultation document.

## General information about the respondent

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\* Name of the stakeholder

Actuarial Association of Europe

\* Type of stakeholder

Other

\* If other, please specify:

Professional Association

\* Please indicate your country.

Belgium

\* Contact person (name and surname)

Stephanos Hadjistrylis

\* Email address of contact person

info@actuary.eu

\* Please provide your explicit consent for the publication of your response

- ☒ Yes, publish my whole response
- ☐ Yes, publish a part of my response
- ☐ No, do not publish my response

## Questions to stakeholders

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## 1. General comments

Q1. Do you have general comments on the consultation paper?

- ☒ Yes  
☐ No

Please provide your general comments on the consultation paper.

Summary of Key Messages: We welcome EIOPA's initiative to provide further specification on the content of pre-emptive recovery plans. We support the aim of enhancing preparedness and crisis management capability in the insurance sector. Although, we have proposed some adjustments below to support proportionality, reduce unnecessary effort, and promote consideration of the existing Solvency II framework. Understandably, the additional supervisory system introduced by the IRRD can increase the effort for undertakings required to draw up pre-emptive recovery plans. Therefore, it is important that these plans can build as much as possible on existing Solvency II documentation. Detailed Comments: 1. Solvency II and Use of Existing Documentation: We acknowledge that Recital 1 of the RTS permits undertakings to cross-refer to existing documentation - such as the ORSA, SFCR, RSR and QRTs - rather than duplicating content. It might be helpful if this principle were also reflected in the provisions or accompanying guidance to ensure consistent implementation by supervisors and to reinforce the aim of avoiding unnecessary effort. 2. Proportionality and Simplification: The RTS can better reflect the principle of proportionality, ensuring that national supervisors do not impose excessive interpretations beyond what is necessary. Further clarity would be beneficial on the criteria and application of simplified obligations for undertakings below certain thresholds. Recovery plans are already mandated following a breach of the Solvency Capital Requirement (SCR), detailing how compliance will be restored and which remedial actions will be taken. Where these plans exist, pre-emptive plans should be consistent with them. 3. Governance and Structure of the Plan: We welcome the distinction made between governance and remedial actions in Articles 5 and 6. To improve usability, we propose consolidating governance elements—including plan development, application, and communication strategy—into a dedicated “Recovery Governance” chapter. 4. Implementation Timeline: Considering the IRRD will enter into force in 2027, we advocate for the first submission of pre-emptive recovery plans no earlier than 2029 to allow adequate time for preparatory work.

## 2. Background and Analysis

Q2. Do you have comments on the Background and Analysis Section?

- ☒ Yes  
☐ No

Please provide your comments on the Background and Analysis Section.

We support EIOPA's efforts to enhance the resilience of the insurance sector through recovery planning. We believe that some statements in the background section may warrant closer scrutiny and that clearer criteria could be considered regarding the scope and application of simplified obligations for undertakings with lower risk profiles. For example, it would be helpful to clarify the specific criteria for simplified obligations to ensure that supervisory discretion supports proportional implementation. We recognise that Solvency II provides a comprehensive prudential framework but also acknowledge that it is not designed to eliminate all failure risk. We support the IRRD's objective of strengthening preparedness for extreme scenarios. In this context, we suggest that IRRD requirements be implemented in a way that complements, rather than duplicates, existing Solvency II safeguards.

### 3. Draft Technical Standards

#### Recitals

Q3. Do you have comments on the Recitals?

- ☒ Yes  
☐ No

Please provide your comments on the Recitals.

The requirements relating to recovery planning in Ireland, which are available here ([https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/insurance-reinsurance/solvency-ii/requirements-and-guidance/recovery-plan-guidelines-for-\(re\)insurers.pdf](https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/insurance-reinsurance/solvency-ii/requirements-and-guidance/recovery-plan-guidelines-for-(re)insurers.pdf)), require that a range of scenario testing is performed by the company as part of the recovery plans in order to test the recovery indicator framework and the effectiveness of the recovery options under different scenarios. While we acknowledge that appropriate scenario testing is required for a recovery plan, you may wish to provide guidance on what type of scenarios companies are to look at as part of the recovery planning process e.g. depending on their business model and exposure closure to new business, slow moving, fast moving, market wide, etc. Recital 6 refers to remedial actions being initially described without reference to a specific crisis scenario. It is not clear whether there is an expectation that they should then be assessed with reference to a specific crisis scenario. Based on the application of the rules in Ireland, we believe it is important to consider specific scenarios that remedial actions may be utilised in, as some actions may not work under certain scenarios. We note Article 6 3(c)(i) specifies that the analysis of each remedial action should include financial and operational impacts “taking into account market behaviour in a systemic or idiosyncratic stress event”. It may be worth making clear here that while they can be initially described without reference to a specific crisis scenario, the expectation is that they would later, be expected to be assessed taking into account scenarios.

#### Articles

Q4. Do you have comments on the following articles?

	Yes	No
Article 1 - Definitions	<input type="radio"/>	<input checked="" type="radio"/>
Article 2 - Summary of the key elements of the pre-emptive recovery plan or group pre-emptive recovery plan	<input type="radio"/>	<input checked="" type="radio"/>
Article 3 - Description of the insurance or reinsurance undertaking or the group	<input checked="" type="radio"/>	<input type="radio"/>
Article 4 - Framework of indicators	<input checked="" type="radio"/>	<input type="radio"/>
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	<input checked="" type="radio"/>	<input type="radio"/>
Article 6 - Range of remedial actions	<input checked="" type="radio"/>	<input type="radio"/>
Article 7 - Communication strategy	<input checked="" type="radio"/>	<input type="radio"/>



Please provide your comments on Article 3 - Description of the insurance or reinsurance undertaking or the group.

• Article 3 - Description of the insurance or reinsurance undertaking or the group We support the intention behind Article 3 to improve understanding of intra-group dependencies and structures. However, we recommend aligning this article more closely with existing Solvency II reporting to reduce administrative effort and ensure consistency. Key concepts such as “critical functions,” “materiality,” and “significance” may warrant further clarification to avoid confusion and misapplication.

1. Avoiding Duplication and Aligning with Solvency II Reporting: Many of the data items requested under Article 3 are already available to supervisory authorities via the SFCR, RSR, QRTs (e.g. templates 36.01–36.05), ORSA, and local GAAP reports. We suggest making it explicit in the RTS that undertakings may reference these existing sources to satisfy requirements under Article 3. Additionally, the scope of reporting – particularly intra-group transactions in Paragraph 2 – should be clearly aligned with Solvency II standards to avoid inconsistencies and unnecessary duplication.

2. Clarification on “Critical Functions”: The term “critical functions” appears in Article 3(1)(a)(iii) for recovery planning, despite its established use in resolution planning. Given that the focus of recovery is restoring financial soundness, not preserving critical functions, we question its relevance here and suggest reconsidering its inclusion or providing a clear justification.

3. Scope of Mapping Requirements – EEA Focus: In Article 3(1)(b), the mapping of business lines and functions should be limited to EEA entities, as these are the entities subject to IRRD requirements. Non-EEA operations should be covered under group-level analysis only.

4. Clarifying Terms such as “Material” and “Significant”: Article 3(1)(c)(i) and 3(1)(d)(ii) refer to materiality and significance without clear guidance. While undertakings may define these terms internally, clearer regulatory expectations would promote consistency. For example, clarification is needed on how to interpret “significant” in the context of counterparties or service discontinuities—e.g., by Member State, business segment, or value chain.

5. Clarifying the Reference to Sales Processes in 2(e): The reference to “processes” in 2(e) is ambiguous. If the intention is to capture the sale of a material business unit that provides critical support within a group, this should be clarified. As worded, it could be misinterpreted to include routine commercial sales activity.

6. Operational Interconnectedness – Suggested Addition: In Article 3(c)(iii), we recommend explicitly including IT and systems interconnectedness as part of operational dependencies, given their growing significance in ensuring business continuity.

Please provide your comments on Article 4 - Framework of indicators.

• Article 4 - Framework of indicators Summary of Key Messages: We support the requirement to establish a framework of indicators to facilitate early intervention and recovery planning. However, we suggest clarifying the purpose, level, and calibration of indicators to ensure that they support meaningful recovery assessments without leading to premature or irrelevant trigger events. We also propose improvements to the drafting around group-level versus subsidiary-level indicators, and guidance on qualitative indicators and their interaction with Solvency II Article 138(4). We acknowledge and take note of EIOPA’s plans to publish guidelines specifying the qualitative and quantitative indicators within pre-emptive recovery plans and welcome this as a good opportunity to provide concrete clarifications on the issues we noted above.

Detailed Comments:

1. Qualitative Indicators – Need for Flexibility and Guidance: Undertakings have found it challenging to identify qualitative indicators that genuinely add value. We suggest that EIOPA reconsider whether qualitative indicators should always be required and, if retained, provide examples or guidance to assist firms in applying them effectively.

2. Calibration Transparency: Paragraph 3 should be enhanced to include an explanation of how indicators and triggers are calibrated. This would improve the usability of recovery plans and support supervisory understanding of when actions will be activated.

3. Group vs. Subsidiary-Level Indicators: Article 4 should distinguish clearly between indicators relevant at group and subsidiary levels. Local indicators should only be included in group recovery plans if they are relevant to the group’s overall recovery position. Even if a local

entity breaches a recovery indicator, this should not automatically trigger group-level recovery actions unless there is a demonstrable impact on the group. We propose amending the wording of paragraph 1(a) to: “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 EEA insurance and reinsurance undertakings where included in the group recovery plan. Otherwise, subsidiary indicators should be included where those indicators are relevant for group recovery.” 4. Interaction with Solvency II Article 138(4): It would be helpful for EIOPA to clarify how the recovery indicator framework under Article 4 interacts with the requirements for extended recovery plans as specified in Article 138(4) of the Solvency II Directive.

Please provide your comments on 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.

• 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 We welcome the inclusion of requirements concerning how the recovery plan is drawn up, maintained, and applied, as governance is a key pillar of recovery planning. However, we believe that several clarifications and refinements would enhance this article. First, the reference in paragraph 1(a)(iii) to external auditors is unclear. It is not evident whether there is an expectation that auditors will play a formal role in revising the recovery plan or simply be informed of updates. We question whether external auditors should be involved at all, as this would fall outside their typical responsibilities and may introduce unnecessary complexity. We also suggest that the governance-related content in Article 6(d) would sit more naturally within a dedicated “Recovery Governance” chapter. Grouping governance processes, plan maintenance, and communication (currently in article 7) in one place would improve the usability and coherence of the plan. Finally, while the Directive requires an update at least every two years, we propose that the RTS allow undertakings to assess whether a revision is necessary based on whether their risk profile or vulnerability has changed significantly. This would support proportionality and reduce unnecessary effort in periods of stability.

Please provide your comments on Article 6 - Range of remedial actions.

• Article 6 - Range of remedial actions We generally find the requirements in Article 6 to be reasonable and support their role in effective recovery planning. However, we recommend several refinements to improve proportionality, clarity and feasibility, particularly under real-world stress conditions. 1. Proportionality in Assessing Remedial Actions In relation to Article 6(3)(c)(i), we support the need to assess the credibility and effectiveness of remedial actions, but recommend a proportionate approach. A more detailed quantitative analysis should apply to the most material actions, while a pragmatic assessment using indicative ranges could suffice for lower-priority options. Insurers should be encouraged to clearly state the assumptions made when evaluating these actions, including their intended order of use and the point at which recovery objectives are considered met. 2. Use of Scenario Analysis and capacity to recover We agree that scenario testing can inform the impact assessment of key remedial actions. However, it's important to recognise that scenarios may not manifest exactly as modelled. The emphasis should remain on demonstrating the insurer's capacity to recover rather than precision in scenario forecasts. This is particularly relevant when evaluating cumulative effects over extended periods, such as a 12-month horizon. 3. Clarifying Assumptions and Valuation Horizons In 6(3)(c)(iii), we suggest replacing “all other assumptions” with “material assumptions” to avoid an overly broad disclosure requirement. Additionally, remedial actions should be assessed over short-, medium- and long-term horizons, as some measures may yield early benefits but lose effectiveness over time. Clear articulation of these time-based impacts will improve understanding of recovery dynamics. 4. Conceptual Consistency – Critical Functions We recommend removing Article 6(3)(c)(ii), which references critical functions. This concept belongs to resolution planning rather than recovery planning, whose primary objective is to restore financial viability, not preserve specific functions. 5. Addressing Execution Challenges Article 6(3)(d)(iv) requires firms to identify solutions to potential impediments. While we support this intent, we note that in practice, full solutions may not

always be available at the time of drafting. Instead, recovery plans should allow for the identification of areas requiring further development, together with proposals to address foreseeable challenges.

6. Clarification of Notification Requirements We suggest amending Article 6(6) to reflect that not all emerging stress events necessitate immediate supervisory notification. Notification should be required where there is a reasonable expectation that a recovery indicator will be breached and recovery cannot be achieved without activating the plan. This approach would balance meaningful supervisory engagement with operational pragmatism.

7. Clarifications on Systemic vs Idiosyncratic Events and Terminology The distinction between systemic and idiosyncratic stress events, as referenced in Article 6(3)(c)(i), may not always be clear, especially considering new supervisory tools under the Solvency II review. We also propose that EIOPA provide definitions or guidance on key terms such as “achievable value” and “marketability,” to support consistency in valuation assessments. First, we recommend that Article 7(1)(b) explicitly include supervisory authorities among the key stakeholders to whom communication plans should apply. This would ensure that supervisory engagement is properly integrated into the strategy from the outset.

Please provide your comments on Article 7 - Communication strategy.

- Article 7 - Communication strategy We support the inclusion of a communication strategy as part of the recovery planning framework. However, we believe that several clarifications would enhance the relevance and practicality of the requirements in Article 7. First, we recommend that Article 7(1)(b) explicitly include supervisory authorities among the key stakeholders to whom communication plans should apply. This would ensure that supervisory engagement is properly integrated into the strategy from the outset. In relation to Article 7(2), we suggest expanding the scope to include how the undertaking intends to manage potential negative market reactions during a recovery event, and how confidentiality requirements will be upheld—including the use of non-disclosure agreements where appropriate. These are practical considerations that may have a significant impact on the timing and content of communications during a stressed situation. We also propose that Article 7 provide more clarity on the internal governance aspects of the communication strategy. This includes identifying the personnel responsible for executing the communication plan, setting out governance procedures for enacting communications tied to specific remedial actions, and clarifying the communication flows between the undertaking and its parent group company, where applicable. While we appreciate the intent behind requiring communication planning as part of recovery preparedness, we note the inherent unpredictability of recovery scenarios and suggest caution in requiring detailed, pre-defined communication strategies. In many cases, the most effective approach may be to establish a strong governance framework and decision-making process for adapting communications in real time, rather than relying on static plans that may not reflect future realities.

Please provide your comments on Article 8 - Past breach of the Solvency Capital Requirement.

- Article 8 - Past breach of the Solvency Capital Requirement We consider a key requirement of recovery plans is to enable insurers to activate the plan in a timely manner. While we recognise that a previously activated recovery plan may include details that are beneficial to the reader, we would expect that the required information would already be included in the pre-emptive recovery plan. In addition, we note that where a recovery plan was previously prepared within the past 10 years that the supervisory authority and management within the (re)insurer / those charged with governance would have access to the plan. Thus, we consider the inclusion of a previously activated recovery plan may not be necessary for the following reasons: - The additional detail may lead to unnecessary duplication within the recovery plan - Article 6(d)(i) requires “outcome of the assessment of the risk associated with the remedial action, drawing on any experience of executing the remedial action or an equivalent measure”. As such, an assessment of the measures taken to restore compliance with the Solvency Capital Requirement should already be captured within the recovery plan and

explicit reference to a previously activated recovery plan can be made. - The circumstances and the risk profile of the (re)insurer may have changed considerably within a 10-year period. Thus, the information contained within the previously activated recovery plan may not be relevant.

## Annex I: Impact assessment

Q5. Do you have comments on the policy issue?

	Yes	No
<i>Policy Issue A: Prescriptiveness of credibility and feasibility assessment</i>	<input type="radio"/>	<input checked="" type="radio"/>

## Any other comments

Q6. Do you have any other comments?

- ☒ Yes  
☐ No

Please provide your comments.

We note that in some instances (re)insurers may be subsidiaries of non-insurance entities or (re)insurance companies regulated outside the EU. It would be useful to clarify if there are any group recovery plan requirements in respect of these entities or not. Additionally, it would be useful to clarify how Group recovery plans of groups with ultimate ownership outside the EEA are recognised for the entities in the EEA.

## Contact

[Contact Form](#)



