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EIOPA Consultation on Insurance Guarantee Scheme Standards Summary of AAE Key Messages



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What was the consultation about?

EIOPA's draft technical advice, under Article 98 of the IRRD, proposes minimum common standards for national Insurance Guarantee Schemes (IGS). It covered:

- Scope of eligible life and non-life policies for minimum harmonised IGS coverage.
- IGS operation: activation triggers, claims deadlines, payout timelines, continuation.
- Funding conditions and coordination between IGS and the IRRD resolution framework.

Why does it matter?

Insurance is the only EU retail financial sector without a minimum-harmonised guarantee scheme, and cross-border failures have exposed real gaps. EIOPA's advice feeds the Commission's report to Parliament (due January 2027) on whether to legislate EU-wide minimum standards.

What were our key messages?

1. **Support Minimum, Not Maximum, Harmonisation:** Back a minimum harmonised IGS framework that preserves national flexibility on insolvency and tax regimes.
2. **Avoid Double Coverage with the IRRD:** Calibrate standards so IGS and IRRD resolution tools are complementary, not cumulative, protections.
3. **Distinguish Insolvency from Investment Risk:** Make clear an IGS protects against insurer insolvency, not investment losses on unit-linked products.
4. **Guard Against Moral Hazard:** Keep coverage and contributions risk-based, with individual insurer caps on both levies and ex-post calls.
5. **Calibrate Liquidity to Insurance Dynamics:** Reflect that claims emerge more gradually than bank withdrawals; hold ex-ante funds ring-fenced.
6. **Keep the IGS Mandate Narrow:** Support minimum formal cooperation between Resolution Authorities and IGS bodies, focused on compensation.



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