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EUROPEAN INSURANCE  
AND OCCUPATIONAL PENSIONS AUTHORITY

# **Discussion Paper on Potential Harmonisation of Recovery and Resolution Frameworks for Insurers**

EIOPA Insurance & Reinsurance Stakeholder Group meeting  
Frankfurt, 15 February 2017

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- The existing **fragmented landscape** of national recovery and resolution frameworks requires European action
- EIOPA initiated **some work on recovery and resolution** since it was set-up
- A **dedicated Project Group** was established in January 2016
- The discussion paper is the **first step**
  - EIOPA invites stakeholders to provide their views on the Discussion Paper **by 28 February 2017**

# Overview of the discussion paper



## View on recovery and resolution for insurers

### Overview of existing national frameworks

EIOPA conducted a **stock taking exercise** to obtain information on existing national recovery and resolution frameworks in the EU.

The survey covers **crisis management** aspects like early intervention, resolution, cross-border cooperation and IGS.

### Rationale for harmonisation

EIOPA analyses **whether there is a need** for a harmonised recovery and resolution framework for insurers.

**Pros:** Avoidance of fragmentation, enhancement of cross-border coordination, fragile market environment.

**Cons:** Normal insolvency procedures might be suitable, national frameworks might reflect national specificities in a better way, administrative burdens and costs.

### Building blocks of recovery & resolution

EIOPA analyses what the **building blocks** could be for a **minimum** harmonised recovery and resolution framework.

## General principles

- Scope:
  - o All (re)insurers, including branches of third-country insurers situated in the EU
  - o Excluded: small insurers not subject to Solvency II
  - o Subject to proportionality principle
- Proportionality principle:
  - o Power to waive requirements (e.g. for pre-emptive recovery plans and resolution plans)
  - o Simplified obligations
  - o Powers to be applied in proportionate manner

# Building blocks of recovery and resolution (cont'd)

- For each of the proposed building blocks, questions for stakeholders are included to gather their view
- Based on this, the proposed building blocks and/or their content might change

Main building blocks	Sub-building blocks for discussion
Preparation and planning	1. Pre-emptive recovery planning
	2. Pre-emptive resolution planning
	3. Resolvability assessment
Early intervention/ recovery	4. Early intervention triggers
	5. Early intervention powers
Resolution	6. Resolution authority
	7. Objectives
	8. Triggers
	9. Powers
Cooperation and coordination	10. Safeguards
	11. Cooperation and coordination between national authorities and with third country authorities