

FiSer Regulatory Roadmap – RRP

Regulation	Details	Key elements and impacts
RRP (Recovery & Resolution Plan)	Overall objective is to have a minimum standard of harmonisation on the Recovery and Resolution Plans framework. Need for trust to be re-established in the financial system. There are major differences that exist between EU member states in the way of handling an insurer in stress. There is no common EU approach to RRP for insurers. Harmonisation across the EU is therefore needed due to the fact that the insurance sector has multiple cross border servicing arrangements. The discussion paper focuses on harmonisation in line with the ongoing development by the FSB and IAIS of a global RRP framework for global systemically important insurers (G-SIIs). The framework comprises: preparation and planning; early intervention/recovery; resolution; and cooperation and coordination.	Insurers are struggling with their profitability and business model. This creates a need for a robust RRP. To make a robust RRP, insurers need to do develop a strategic plan and determine: (a) how to recover financially when in stress and (b) how to leave the market orderly when the likelihood that resolution is no longer viable. Insurers are advised to closely monitor the developments in this regard as considerable effort will be involved to meet such requirements..