

Scope of Insurers Subject to Recovery and Resolution Planning Requirements in the Key Attributes

Overview of consultation responses

1. Introduction

The FSB published on 25 November 2025 a consultation report, *Scope of Insurers Subject to the Recovery and Resolution Planning Requirements in the FSB Key Attributes (Consultation Report)*.¹ The Consultation Report requested public feedback until 6 February 2026. The questions from the Consultation Report are in the Annex.

Nine organisations responded to the Consultation Report. Seven are organisations representing various parts of the private insurance industry, one is an association of subnational insurance supervisors, and one is a policyholder protection scheme (PPS). The respondents come from North America, Europe, and East Asia. This document summarises the responses and changes made to the final version of the guidance (Final Report).

2. Summary of feedback received

2.1. General comments and cross-cutting themes

Summary of comments

Overall, respondents expressed broad support for the Consultation Report, noting that it provides a coherent and structured framework for determining which insurers should be subject to recovery and resolution planning (RRP) requirements. Many respondents appreciated the balance in the Consultation Report between creating a consistent framework across jurisdictions and flexibility to reflect local market structures and legal frameworks. However, several respondents raised concerns about the potential for overreach, duplication with other frameworks, and the need for greater clarity in certain areas. These comments are discussed below.

¹ FSB (2025), *Scope of Insurers Subject to the Recovery and Resolution Planning Requirements in the FSB Key Attributes: Consultation report*, November.

2.1.1. Role of supervisory discretion and judgment

Respondents generally supported the preservation of authorities' discretion in the Consultation Report. These respondents asserted that jurisdictional authorities are best positioned to assess the systemic risk posed by insurers within their jurisdictions, given their familiarity with local market dynamics and their unique supervisory tools. Respondents cautioned against overly prescriptive criteria or rigid thresholds that could undermine the ability of authorities to exercise judgment.

2.1.2. Proportionality, insurance sector specificities, and heterogeneity

Many respondents called for proportionality in the application of RRP requirements, asserting that the insurance sector is fundamentally different from other financial sectors, particularly banking. Respondents also emphasised the heterogeneity of the insurance sector, noting that life insurers, property and casualty insurers, reinsurers, and specialty carriers operate under distinct business models with varying risk profiles.

2.1.3. Alignment with IAIS standards, existing national frameworks, and the roles of the FSB and IAIS

Many respondents expressed support for aligning the Final Report, Key Attributes,² and IAIS Insurance Core Principles (ICPs)³ to ensure consistency and avoid duplication. Respondents noted that many jurisdictions already have well-established frameworks for RRP requirements and cautioned against creating conflicting or overlapping standards. They also emphasized the need for clarity in how the Final Report interacts with both IAIS standards and national frameworks.

Several respondents raised general questions about the relationship between the FSB and IAIS, including questions about which organisation sets standards for insurers. Some suggested that the IAIS should take the lead in developing insurance-specific guidance, with the FSB focusing on cross-sectoral issues and providing coordination.

Responses to comments

- The Final Report retains the same general framework supported by the respondents, providing a common baseline across jurisdictions while preserving discretion of national authorities in determining how to evaluate the criteria in the Final Report.
- The Final Report includes additional language about the work of the FSB and IAIS. The FSB created and provides guidance on the Key Attributes, which is the international standard for resolution regimes for financial institutions, including insurers. The Key Attributes apply by their terms to any financial institution that could be systemically

² FSB (2024), *Key Attributes of Effective Resolution Regimes for Financial Institutions (revised version 2024)*, April.

³ IAIS (2024), *Insurance Core Principles and Common Framework for the Supervision of Internationally Active Insurance Groups*, December. The same document also sets forth additional requirements for Internationally Active Insurance Groups, which are insurers that meet criteria related to international activity and size (ComFrame). IAIS (2025), *Register of Internationally Active Insurance Groups based on information publicly disclosed by group-wide supervisors*, September.

significant or critical if it fails. The ICPs from the IAIS “apply to the supervision of all insurers.”⁴ In respect of recovery and resolution, the ICPs and guidance issued by the IAIS related to resolution powers, preparation and plans are intended to be aligned with the Key Attributes.⁵ For example, both the Key Attributes and ICPs call for, at a minimum, insurers that could be systemically significant or critical upon failure to be subject to RRP requirements.⁶

2.2. Paragraph 1: Existing Key Attribute standard

Summary of comments

Respondents did not comment on the existing Key Attribute standard. However, some respondents commented that the scope of application of recovery planning requirements and resolution planning requirements should be different, where the scope of insurers subject to resolution planning requirements should be narrow and limited to only the most systemically significant institutions.

Responses to comments

- The Final Report does not create a different scope of application for recovery versus resolution planning requirements. The Key Attributes already subject the same scope of institutions—those that could be systemically significant or critical in failure—to both recovery and resolution planning requirements. Changing that conclusion would be out of the scope of the Final Report, which is meant only to further clarify how to determine that set of institutions. The Final Report is not meant to create a new category of institutions that should be subject to only one of either recovery or resolution planning.
- The Final Report is for a specific set of insurers, namely, those which could be systemically significant or critical in failure, or could have an impact on financial stability in the event of their failure. The FSB reaffirms that these institutions should be subject to both the recovery and resolution planning requirements in the Key Attributes.

2.3. Paragraph 2: Authority assessment

Summary of comments

One respondent asked for more detail on the meaning of “established criteria,” suggesting that it should mean transparent, publicly available frameworks subject to consultation that allow insurers to self-assess their status as an insurer subject to RRP requirements *ex ante*. The same

⁴ IAIS (2024), Insurance Core Principles and Common Framework for the Supervision of Internationally Active Insurance Groups, December.

⁵ IAIS (2025), Draft revised Application Paper on resolution powers, preparation and plans at paragraph 13, November.

⁶ Key Attributes II-Annex 2, paragraph 9.1; ICPs 12.4 and 16.15.

respondent also asked that the Final Report set a standard authorities must meet to justify application of RRP requirements.

Another respondent also suggested that any determinations regarding application of RRP requirements for entities within an international group be coordinated through the supervisory college, with the group-wide supervisor facilitating consistency and avoiding duplicative or conflicting requirements.

Responses to comments

- Regarding the suggestion that the meaning of “established criteria” be clearer, the Final Report, like the Consultation Report, is intended to provide great discretion to authorities. However, the Final Report continues to provide that “established criteria” means that “the criteria should be determined *ex ante* by the appropriate authority so that the framework for this determination is consistently applied.”⁷ The Final Guidance will add additional language that the scope of insurers that are subject to RRP requirements should be “clear and transparent.” This is consistent with the Key Attributes and the Key Attributes Assessment Methodology for the Insurance Sector (KAAM).⁸
- The Final Report will not provide further instruction as to process or the standard of proof that authorities must meet to determine an insurer is subject to RRP requirements in order to preserve the discretion of national authorities. Moreover, providing a single standard of proof may be difficult considering the diversity of legal frameworks across FSB member jurisdictions.

2.4. Paragraph 3: Assessment criteria

Summary of comments

Respondents generally expressed support for the six proposed assessment criteria—nature, scale, complexity, substitutability, cross-border activities, and interconnectedness—viewing them as a comprehensive and well-structured framework for identifying insurers that should be subject to RRP requirements. Some noted that the criteria are aligned with other international standards and appropriately capture the primary drivers of systemic relevance in the insurance sector. The criteria were seen as broad enough to accommodate diverse market structures while providing authorities with a clear basis for assessing systemic risk. Respondents also suggested the improvements set forth below.

2.4.1. General comments on the criteria

Respondents expressed concern that allowing RRP requirements to apply even if not all criteria are implicated by an insurer could create unpredictability if, for example, a single criterion is used

⁷ Proposed Guidance at 5.

⁸ Key Attributes 1.1; FSB (2020), *Key Attribute Assessment Methodology for the Insurance Sector* at 18-19, August; FSB (2016) [hereinafter, “KAAM”].

to justify application of RRP requirements. Others similarly requested that the Final Report avoid mechanical or automatic application of RRP requirements based on individual criteria without considering the insurer's overall risk profile or some combination of the criteria. On the other hand, many respondents also opposed specifying in the Final Report which thresholds or combination of criteria should give rise to RRP requirements. One respondent also suggested that the criteria be based on a "total balance sheet approach" rather than a narrow focus on investment strategy.

Respondents provided mixed comments about the use of thresholds. Some requested clearer definitions of the criteria and clear examples to illustrate their application, such as how specific activities or thresholds might trigger RRP requirements. For example, one respondent suggested that RRP requirements not apply absent a minimum size threshold, arguing that a very small insurer should not be subject to RRP requirements notwithstanding any other criteria. Others expressed concern about concrete conclusions or thresholds, arguing they create rigid rules that undermine supervisory judgment and therefore the flexibility needed to adapt RRP requirements to different market structures.

2.4.2. Relationships between criteria

Respondents raised several concerns about the relationship between the criteria. Some suggested that the description of the criteria be more specific and eliminate any overlap. Some respondents expressed concern that the overlap in criteria meant more than one criterion could suggest an insurer should be subject to RRP requirements based on the same information. One respondent suggested clarifying that "nature" refers to the source of a liability where "complexity" refers to organisational frictions preventing resolution.

Respondents suggested that the criteria should be allowed to conceptually offset one another. For example, while an insurer's large size might support the conclusion that it should be subject to RRP requirements, this could be mitigated by the fact that the insurer is non-complex. This approach suggested by the respondents would make the criteria not solely additive in determining whether an insurer should be subject to RRP requirements but also subtractive.

2.4.3. Other Comments

Respondents made additional comments on the criteria, including assertions that insurers typically fail over longer timeframes compared to banks, and that the framework should reflect these differences. For example, respondents noted that recovery interventions for insurers often unfold over months or years, rather than the sudden failures seen in the banking sector. This distinction was seen as important for tailoring RRP requirements to the specific characteristics of the insurance sector.

One respondent asked that a sentence suggesting vulnerabilities were linked to the intrinsic nature of insurance should be revised to refer to specific vulnerabilities previously identified by the G20. Others asked that it be explicit that all examples of indicators be described as illustrative rather than exhaustive.

Responses to comments

- The Final Report remains unchanged with respect to authorities' discretion in how to evaluate the six assessment criteria. While there are pros and cons to varying degrees of discretion, the Final Report favours greater discretion to allow authorities to choose how to evaluate the criteria in ways that are appropriate for their unique markets, insurers, and legal frameworks. This discretion should provide the proportionality and sensitivity to different types of insurers sought by most respondents. It also is consistent with respondents' general support for discretion and their opposition to mechanistic or prescriptive application.
- The Final Report does not contemplate criteria offsetting one another. The Final Report as written allows authorities to judge each criterion on its own and decide when a criterion does not support application of RRP requirements. Allowing offsetting would conflict with the design that an authority could conclude that a single, clearly material criterion can justify the application of RRP requirements. For example, it may not be appropriate to exclude a highly complex insurer that would otherwise be subject to RRP requirements solely because it has limited cross-border operations.
- The Final Report has been revised to address the suggestion that the relationship between the intrinsic nature of insurance activities and vulnerabilities be more nuanced.

2.5. Paragraph 3: Indicators

Summary of comments

Respondents provided detailed feedback on the example indicators to evaluate the criteria, emphasising the need for flexibility to reflect insurers' diverse business models. Respondents suggested that there be more indicators or more detailed indicators to provide examples of indicators that are more appropriate for smaller insurers or insurers with different business lines.

For certain indicators, respondents requested that the Final Report provide more nuance by acknowledging that some activity covered by indicators could reduce the need for RRP requirements. Specifically, respondents suggested the Final Report acknowledge that some use of derivatives (which was noted as an indicator for nature and complexity) and some use of reinsurance (which was noted as an indicator for interconnectedness) can decrease systemic risk. One respondent suggested the Final Report distinguish between which indicators should be understood on an *ex ante* basis or ongoing basis, noting that some indicators would be more costly to use on an *ex ante* basis.

Respondents expressed mixed concerns about allowing the same indicator to be used across multiple criteria. Some respondents suggested this could improve efficiency, provided that the indicators are applied in a way that reflects the unique risks associated with each criterion. Others expressed concern that the same indicator could be used to implicate multiple criteria, which would overstate the need for RRP requirements based only on one indicator.

Some respondents had comments for indicators specific to certain criterion.

- For **scale**, one respondent proposed excluding assets like unit-linked accounts, asserting these assets don't contribute to systemic risk because policyholders bear the investment risk. Another respondent suggested not using total assets for insurers with life and non-life insurance activities, asserting it is difficult to compare assets attributable to those separate business lines.
- For **complexity**, some respondents asserted that the number of legal entities is too simple an indicator.
- One respondent suggested that all **substitutability** indicators be assessed at the product or customer segment level rather than at the insurer level. This respondent suggested adding indicators like market concentration or barriers to transferring business.
- For **interconnectedness**, one respondent suggested narrowing the scope of indicators concerning transactions to "material transactions."
- For **cross-border activities**, some respondents indicated that focusing simply on the number of jurisdictions in which an insurer operates is too simple.

One respondent also suggested considering the availability of policyholder protection schemes (PPS) and the behaviour of policyholders under stress as indicators for substitutability, scale, and nature. Another respondent requested that different indicators be used for different types of insurers.

Responses to comments

- The Final Report includes additional language to emphasise that the indicators are merely examples, are not necessarily used by all FSB members in evaluating which insurers should be subject to RRP requirements and may not be appropriate in all cases. The additional language also acknowledges that some indicators may have limitations, including that they could capture activity that could improve the risk profile of an institution or decrease its systemic relevance.
- The Final Report does not provide further direction on how each indicator should be considered to avoid being overly prescriptive and to preserve authorities' discretion. The specific suggestions made by respondents could be appropriate in some jurisdictions but not others. The Final Report is meant to give discretion to authorities to determine how to address the specific concerns identified by the respondents.
- The Final Report includes additional language to clarify that each criterion should be assessed with different indicators.

2.6. Paragraph 4: Specific circumstances that should necessitate RRP requirements

Summary of comments

Several respondents expressed support for the two circumstances in Paragraph 4, asserting that they capture scenarios that should necessitate RRP requirements notwithstanding other circumstances. Some agreed that the circumstances capture all relevant situations where RRP requirements should apply notwithstanding any other considerations and stated that no additional circumstances are necessary. Others noted that the proposed circumstances are principles-based and appropriately tied to systemic relevance. Accordingly, many respondents cautioned against expanding the scope of Paragraph 4, suggesting that any new circumstances would be better handled through other supervisory tools or considered as one of the six assessment criteria. Respondents also raised the concerns set forth below.

2.6.1. Proportionality, supervisory discretion, and quantitative thresholds

Many respondents were concerned that the automatic application of RRP requirements for the circumstances in Paragraph 4 did not incorporate the principle of proportionality and did not account for risk mitigants like PPS or the adequacy of traditional insolvency procedures. In the alternative, some suggested that Paragraph 4 result in a presumption that RRP requirements should apply, rather than a final conclusion, which could be overcome by evidence that an insurer should not be subject to RRP requirements.

2.6.2. Clarity, critical functions, and systemic risk criteria

Respondents requested more specificity for the circumstances in Paragraph 4. They suggested explicitly stating that the criteria are based on determinations by jurisdictional authorities and providing definitions for terms such as "financial system" and "real economy." Some also proposed including examples of macroeconomic risks to clarify the scope of the proposed circumstances.

Respondents also suggested that the scope of "critical functions" for an insurer generally should be narrow, particularly relative to critical functions provided by a bank. One respondent suggested that critical functions should be limited to those whose sudden discontinuation could cause severe systemic disruption. Another respondent asked that the consideration of "materially affecting a large number of policyholders" be removed from Paragraph 4 and left as a consideration only for the "substitutability" criteria under Paragraph 3. Other respondents asked for clear and objective thresholds for the phrase "loss of general confidence." Respondents recommended that systemic risk criteria remain narrowly focused to avoid overreach.

Responses to comments

- The Final Report includes the same two circumstances as in the Consultation Report. Consistent with the recommendation of respondents, no additional circumstances have been added.

- The Final Report maintains the conclusion that RRP requirements should apply under these two circumstances notwithstanding any other analysis. By definition, an insurer that is within scope of Paragraph 4 is one (i) that provides a function, the discontinuation of which is likely to have a material impact on the financial system and/or real economy; or (ii) the failure of which is likely to have a significant impact on the financial system. If either of these conditions is satisfied, the insurer should conclusively be subject to RRP requirements. It would not be appropriate to imply that it could be appropriate for such an insurer to not be subject to RRP requirements, for example, with a rebuttable presumption.
- The Final Report does not further specify the meaning of the constituent components of the circumstances in Paragraph 4. The elements of Paragraph 4 are taken from existing FSB and IAIS materials. Consistent with respondents' suggestion that the Final Report be consistent with these existing materials, Paragraph 4 remains unchanged.

2.7. Proposed revision to FSB guidance on critical functions

Summary of comments

Respondents expressed mixed views on the proposed change from “and” to “or” in the definition of critical functions for insurers. Some supported the change, arguing it would align with resolution planning objectives and support consistency between the FSB and IAIS standards and guidance.

Many respondents, however, raised concerns that the change could over-capture insurers and services that do not pose systemic risks. Some warned that changing to “or” would capture domestic or niche insurers important to specific customer bases but irrelevant to global financial stability. Respondents also noted that many insurance activities interact with the real economy, and without clear boundaries, the scope of application of RRP requirements could expand unnecessarily. One respondent argued that impacts to the real economy are outside the FSB’s mandate and should not be incorporated into FSB guidance concerning critical functions.

Respondents suggested that, if this change is retained, it should be adopted with an emphasis on proportionality, a materiality threshold focused on financial stability relevance, and a requirement for a clear substitutability analysis. Another respondent suggested that FSB guidance assert that “ordinary failures” of insurers would not give rise to financial system or real economy impacts.

Responses to comments

- The Final Report adopts the proposed change from “and” to “and/or.” As discussed in the Final Report, this change enhances consistency with IAIS materials, which many respondents viewed as important. Respondents’ concern that the change would mean any impact on the real economy could give rise to RRP requirements should be addressed largely because the relevant language refers to “material impacts” to the real economy, rather than any impact regardless of size. In addition, authorities continue to

have discretion to ensure these standards are fit for purpose for the unique circumstances in their jurisdictions.

2.8. Other responses

Summary of comments

Respondents provided responses on several other topics. Some respondents suggested that the guidance would not be necessary because national frameworks already establish RRP requirements or because national supervisory authorities already have sufficient tools at their disposal to address the possible consequences of the failure of a firm that would be systemically significant or critical in failure. Several respondents, including those calling for the preservation of authority discretion, requested that the Final Report make conclusions about the risks presented by certain types of insurers, business lines, or activities.

One respondent requested that the Final Report be explicit that it is not intended to create new expectations but is to help FSB members with implementing the RRP requirements in the Key Attributes in respect of insurers.

Responses to comments

- The Final Report includes language further emphasising that the report does not create new expectations but helps authorities understand the meaning of the existing Key Attribute standard.
- The Final Report refrains from offering specific conclusions about the risks presented by certain types of insurance activities. Although some respondents called for the Final Report to make such conclusions, the same respondents and most others also generally supported flexibility and discretion for authorities, cautioning that the Final Report should not make conclusions that unduly constrain authorities.

Annex: Questions from Consultation Report

In general

1. Are the Draft Guidance⁹ and comments on the Draft Guidance clear? Where would commenters seek further discussion?

Paragraph 3: Assessment criteria

2. How well-suited are the criteria in the Draft Guidance (nature, scale, complexity, substitutability, cross-border activities, interconnectedness) to determining which insurers should be subject to RRP requirements?
3. What other criteria, if any, should be in the Draft Guidance for determining which insurers should be subject to RRP requirements? Discuss why any additional criteria should be added and the advantages and disadvantages of doing so.
4. What other indicators could be provided as examples of ways that authorities could assess the criteria in the Draft Guidance?
5. How could the comments to the Draft Guidance better explain the difference between any of the six criteria?
6. How could the comments on the Draft Guidance be made clearer to explain how the six criteria should be applied, while still allowing authorities the flexibility to consider the criteria in a manner that aligns with the specific characteristics of their jurisdictions?

Paragraph 4: Specific circumstances that should necessitate RRP requirements

7. Should RRP requirements apply in the two sets of circumstances identified in paragraph 4 of the Draft Guidance, notwithstanding any other facts or circumstances?
8. What other circumstances should call for the application of RRP requirements to an insurer, notwithstanding any other facts or circumstances?
9. What are possible quantitative or qualitative thresholds concerning the six criteria or some combination of the six criteria that should necessitate RRP requirements, notwithstanding any other facts or circumstances? For example, should the Draft Guidance call for RRP requirements whenever the cross-border activities of an insurer exceed a certain threshold?

Proposed revision to FSB guidance on critical functions

10. What are the advantages and disadvantages of revising the FSB's guidance on the definition of a critical function for insurers by changing the phrase "the sudden failure to

⁹ "Draft Guidance" was defined in the Consultation Report as the guidance set forth in section 2 of that report.

provide the function would be likely to have a material impact on the financial system **and** the real economy” to “the sudden failure to provide the function would be likely to have a material impact on the financial system **or** the real economy”?¹⁰

¹⁰ FSB (2023), *Identification of Critical Functions of Insurers: Practices paper*, November; KAAM; FSB (2020), *Developing Effective Resolution Strategies and Plans for Systemically Important Insurers*, June.