

Insurance Quarterly Legal and Regulatory Update

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1 SOLVENCY II

1.1 European Commission adopts Delegated Regulation amending Solvency II Delegated Regulation

On 29 October 2025, the European Commission adopted Delegated Regulation (C(2025) 7206) which amends the [Solvency II Delegated Regulation](#). The Annexes to the Delegated Regulation have been published separately.

The Solvency II Delegated Regulation supplements the [Solvency II Directive](#) by setting out prudential rules for insurance and reinsurance companies within the EU. The Solvency II Directive will be amended by the Solvency II Amending Directive¹, which will introduce and amend more than 12 empowerments for delegated Acts. The Solvency II Amending Directive comes into effect on 30 January 2027 and from that date it will render some provisions of the Solvency II Delegated Regulation obsolete.

Insurers that meet certain clear and quantitative criteria will automatically be classified as small and non-complex undertakings (SNCUs) under the Solvency II Amending Directive. This simplified supervisory regime will impose lighter requirements in areas such as governance, reporting, disclosure, valuation of technical provisions, own-risk and solvency assessment (ORSA) and liquidity risk management planning. Insurers with a simple business model but which do not meet the SNCU criteria can also benefit from these simplified rules, subject to approval from the relevant supervisory authority.

Operational details needed for SNCU's to apply the lighter measures will be set out in the Delegated Regulation, on which the Commission consulted back in July 2025.

In the absence of objections, the Delegated Regulation will be published in the Official Journal of the European Union and will apply from 30 January 2027.

The Delegated Regulation can be accessed [here](#).

The Annexes 1-18 can be accessed [here](#).

2 EIOPA

2.1 EIOPA consults on delegated regulation, ITS and guidelines under Solvency II: October 2025

On 9 October 2025, EIOPA published six consultation papers on mandates relating to the [Solvency II Directive](#). These proposals intend to reflect amendments to the Solvency II Directive pursuant to the [Solvency II Amending Directive](#) and the European Commission's consultation in July 2025 on amendments to the [Solvency II Delegated Regulation](#).

The consultation papers published are as follows:

- Consultation paper on the proposal for revised Guidelines on valuation of technical provisions. This consultation paper can be accessed [here](#).
- Consultation paper on the proposal for revised Guidelines on ring- fenced funds. This consultation paper can be accessed [here](#).
- Consultation paper on the proposal for amending Article 58 of Commission Delegated Regulation (EU) 2015/35 on the simplified calculation of the risk margin. This consultation paper can be accessed [here](#).
- Consultation paper on the proposal for amending Commission Implementing Regulation (EU) 2015/500 laying down implementing technical standards with regard to the procedures to be followed for the supervisory approval of the application of a matching adjustment. This consultation paper can be accessed [here](#).

¹ Directive (EU) 2025/2

- Consultation paper on the proposal for amending Commission Implementing Regulation (EU) 2015/2451 laying down implementing technical standards with regard to the templates and structure of the disclosure of specific information by supervisory authorities in accordance with Directive 2009/138/EC. This consultation paper can be accessed [here](#).
- Consultation paper on the proposal for Guidelines on supervisory powers to remedy liquidity vulnerabilities. This consultation paper can be accessed [here](#).

EIOPA invited feedback on these consultations from stakeholders until 5 January 2026.

2.2 EIOPA finalises guidelines on diversity in insurers' boards

On 14 October 2025, EIOPA published guidelines on diversity in the selection of members of the administrative, management or supervisory body (AMSB), along with a final report on these guidelines.

Insurance and reinsurance undertakings are required under Article 41(1) of the [Solvency II Directive](#), as amended by [Solvency II Amending Directive](#), enforce a policy which promotes diversity and sets gender-balance quantitative objectives within their AMSBs.

“Diversity” is defined under the guidelines in reference to a situation where characteristics of members of the AMSB, such as gender, age or educational and professional background, are different to an extent that there are a variety of views within that AMSB.

The guidelines are set to apply from 30 January 2027.

The guidelines can be accessed [here](#) and the final report can be accessed [here](#).

2.3 EIOPA finalises revised guidelines on methods for determining market shares for reporting under Solvency II

On 14 October 2025, EIOPA published a set of guidelines and final report on the methods for determining market shares for reporting.

Pursuant to Article 35a(1) and (2) of [Solvency II Directive](#), as amended by [Solvency II Amending Directive](#), supervisory bodies are permitted to reduce supervisory reporting requirements for undertakings that collectively do not represent more than 20% of a member state’s life and non-life insurance and reinsurance market respectively.

The guidelines set out certain methods for determining Article 35a(1) and (2) market shares. They also provide the process to be used by supervisory authorities to inform insurance and reinsurance undertakings about any limitation or exemption to quantitative regular supervisory reporting that has been granted by supervisory authorities.

The guidelines cover:

- Information to be used to determine a market share;
- Calculation of the size of life and non-life markets;
- The assessment process for determining whether to grant undertakings a limitation or exemption from reporting requirements.; and
- Information to be provided to undertakings.

The new guidelines will apply from 30 January 2027 and can be accessed [here](#).

The final report can be accessed [here](#).

2.4 European Commission asks EIOPA for technical advice on insurance guarantee schemes

On 14 October 2025, EIOPA published a request and accompanying letter from the European Commission for technical information and advice in respect to common standards for insurance guarantee schemes (IGSs).

This stems from a requirement under Article 98 of [Insurance Recovery and Resolution Directive](#) (IRRDR) for the Commission to provide a report, along with a legislative proposal if needed, which assesses the appropriateness of minimum common standards for IGSs.

The Commission has requested that EIOPA provide technical information and advice on the following items, among others:

- Whether IGSs within Member States are existing or being established and information in respect of the type of insurance covered, the level of coverage and the triggers for the use of IGS;
- The funding model for IGSs and specifically advice for situations where a pure ex post funding model could operate;
- The level of interaction expected between the IRRDR and potential minimum common standards for IGSs within the EU; and
- The operational function of minimum common standards for IGSs, including the trigger moments for IGS activation, time for submission of claims and the deadline for payout to policyholders in compensation cases, conditions and timing for a continuation of policies by IGSs.

EIOPA had previously provided advice on this issue in December 2020 and the Commission has requested that this advice reflects the developments which have occurred since that date.

EIOPA must provide this advice by 31 May 2026 and are expected to produce their report by 29 January 2027.

The request can be accessed [here](#) with the accompanying letter accessible [here](#).

2.5 Report on the use of limitations and exemptions in Solvency II reporting in the EEA

On 30 October 2025, EIOPA published their annual report on the use of limitations and exemptions from Solvency II reporting. This includes an overview of the number of National Competent Authorities (NCAs) which grant limitations and/or exemptions from reporting requirements under Solvency II to solo undertakings and groups in the European Economic Area (EEA).

The report details that in 2024, the same four NCAs granted limitations and/or exemptions from annual reporting to 119 solo undertakings, compared to 118 in 2023. This number represents 5.13% of the total number of solo undertakings, an increase from 5.04% reported in 2022.

The full annual report can be accessed [here](#).

2.6 EIOPA final reports on draft RTS on new macroprudential requirements

On 17 November 2025, EIOPA published the following final reports containing draft regulatory standards (RTS), introduced under the [Solvency II Directive](#) and amended by the [Solvency II Amending Directive](#):

- A [final report](#) on the draft RTS for liquidity risk management plans. The RTS lay out the criteria for selecting undertakings that need to perform medium and long-term liquidity analyses in addition to short-term. Following feedback, amendments have been made to the draft RTS to ensure a risk-based and proportionate approach. These include an increase in the baseline threshold for carrying out liquidity analyses over medium and long term from 12 billion to 20 billion. The default frequency of update of the liquidity risk management plan was changed from quarterly to annually.
- A [final report](#) on the draft RTS on the applicability criteria for macroprudential analyses in own risk and solvency assessment and as part of the prudent person principle. The combination of a quantitative threshold and risk-based criteria for selection of macroprudential analyses aims to give sufficient leeway to supervisors in decision-making. In

response to feedback, EIOPA has now refined the draft RTS and increased the quantitative threshold to ensure proportionality.

The draft RTS were submitted to the European Commission for review, which is due to decide upon their adoption by the end of February.

2.7 EIOPA consults on revised guidelines on group solvency calculations and reporting

On 5 December 2025, EIOPA published two consultation papers relating to the proposed amendments to guidelines under [Solvency II](#), as amended by the Solvency II Amending Directive.

The consultation papers published are as follows:

- A [consultation paper](#) relating to proposed revised guidelines on group solvency. These revised guidelines update the original text published in 2015 to reflect the amended Solvency II framework and also amend provisions to provide further clarification on solvency calculations.
- A [consultation paper](#) in respect to a proposal for revised guidelines on reporting and public disclosure, as the guidelines in place since 2015 require updating following the Solvency II review, particularly to reflect the new solvency and financial condition reports (SFCR) structure.

Both papers aim to clarify and streamline existing guidance and also to delete any information which is unclear or no longer consistent with the legal framework.

Comments may be made on the proposals until 27 February 2026. The final guidelines will apply once the amended Solvency II Directive comes into effect.

2.8 EIOPA final reports on revised level 3 materials under amended Solvency II Directive

On 5 December 2025, EIOPA published two final reports and a revised opinion under Solvency II², as amended by the Solvency II Amending Directive³:

- A [final report](#) on guidelines on the exclusion of undertakings from the scope of group supervision. EIOPA has now clarified the relevance of dividend payments to the ultimate parent undertaking where group supervision is applied at the level of an intermediate participant undertaking.
- A [final report](#) on revised guidelines in respect of related undertakings. Following changes to the definition of participations in financial and credit institutions and their deduction from own funds under the original 2015 guidelines, the explanatory text of guidelines 3 was amended to clarify the proportionate application of that guideline.
- A [final report](#) on a revised opinion relating to the supervisory assessment of internal models, to include dynamic volatility adjustment. This opinion has been updated in order to ensure consistency with the revised volatility adjustment framework under the amended Solvency II Directive.

These revised guidelines will apply from 30 January 2027, when national measures to transpose the amended Solvency II Directive will come into effect.

2.9 EIOPA consults on IRRD framework

On 10 December 2025, EIOPA published a third set of consultation papers which relate to the implementation of the Insurance Recovery and Resolution Directive (IRRD)⁴.

² Solvency II Directive (2009/138/EC)

³ Solvency II Amending Directive ((EU) 2025/2)

⁴ Insurance Recovery and Resolution Directive ((EU) 2025/1)

The seven consultation papers published are as follows:

- [Consultation paper](#) which proposes guidelines to further specify the range of scenarios in relation to pre-emptive recovery planning.
- [Consultation paper](#) which proposes guidelines to further specify qualitative and quantitative indicators in pre-emptive recovery planning.
- [Consultation paper](#) which proposes guidelines to detail how information should be provided in summary or in collective form for the purposes of Article 66(2), point (b) of the IRRD.
- [Consultation paper](#) detailing proposed regulatory technical standards (RTS) on the independence of valuers for resolution under Article 24(6), point (a) of the IRRD.
- [Consultation paper](#) containing proposed guidelines to further specify details on criteria to determine whether simplified obligations can apply for certain insurance and reinsurance undertakings and groups.
- [Consultation paper](#) with proposed RTS on contractual recognition of resolution stay powers under Article 52 of the IRRD.
- [Consultation paper](#) with proposed RTS specifying methodologies and principles in relation to the valuation of liabilities arising from derivatives.

Comments may be made on the proposals until 20 March 2026. EIOPA will finalise the proposals once the feedback has been considered.

Member states will be expected to apply measures implementing the IRRD from 30 January 2027.

2.10 EIOPA Q&As 2025 (updated 19 December 2025)

The EIOPA Q&As were most recently updated on 19 December 2025. The objective of EIOPA's Q&A process is to ensure consistent and effective application of European Regulation and to foster supervisory convergence across EIOPA's scope of action. The process allows any natural or legal person, including financial institutions, competent authorities and Union institutions and bodies to submit questions relating to the application or implementation of legislative provisions⁵.

While the answers provided by EIOPA are of practical significance, they have no binding force in law.

A full copy of the Q&As can be found [here](#).

3 CENTRAL BANK OF IRELAND

3.1 Notice of intention in relation to the application of the ESMA Guidelines on outsourcing to cloud service providers

On 24 October 2025, the Central Bank of Ireland (Central Bank) issued a notice of intention in relation to the application of the guidelines on outsourcing to cloud service providers (Guidelines), published by ESMA on 30 September 2025.

The Guidelines apply to competent authorities and to:

- AIF depositaries under AIFMD, which are not financial entities to which DORA applies; and
- UCITS depositaries under the UCITS Directive, which are not financial entities to which DORA applies.

⁵ Regulation (EU) No. 1094/2010

The Guidelines also set out the relevant legislative provisions to which they apply. The Central Bank have noted that they will consult in due course on the incorporation of a provision within the Central Bank UCITS Regulations⁶ and AIF Rulebook which will state that the aforementioned AIF depositaries and UCITS depositaries will adhere to these Guidelines. In the interim, full compliance with the Guidelines is expected from the date of publication.

The ESMA Guidelines can be found [here](#).

The notice of intention can be accessed [here](#).

3.2 Fitness and Probity Standards - Code issued under Section 50 of the Central Bank Reform Act 2010 - November 2025

In November 2025, the Central Bank issued a code under Section 50 of the Central Bank Reform Act 2010 (Code) which amends the version previously issued in December 2023.

The Code sets out the standards of fitness and probity (Fitness and Probity Standards) applicable to any person performing controlled or pre-approval controlled functions. This includes any persons performing controlled functions or pre-approved controlled functions in relation to the business undertaken by credit unions, including by credit unions under their authorisation as a retail intermediary.

The updated Fitness and Probity Standards can be accessed [here](#).

The updated Central Bank Fitness and Probity webpage can be accessed [here](#).

4 ANTI-MONEY LAUNDERING (AML) AND COUNTERING THE FINANCING OF TERRORISM (CFT)

4.1 EU list high-risk third countries (AML)

On 3 December 2025 the European Commission adopted two EU delegated regulations updated its list of high-risk third countries (HRTCs) presenting strategic deficiencies in their national anti-money laundering and countering the financing of terrorism (AML/CFT) regimes. Two delegated regulations were issued by the European Commission:

- Firstly, an EU delegated regulation to delist the following third-country jurisdictions from the list: South Africa, Burkina Faso, Mali, Mozambique, Nigeria, and Tanzania and add Bolivia and the British Virgin Islands to the list of HRTCs. A copy of the delegated regulation is available [here](#).
- Secondly, an EU delegated regulation to add Russia to the list of HRTCs. A copy of the delegated regulation (Russia) is available [here](#).

The EU delegated regulations will enter into force after scrutiny and non-objection of the European Parliament and the Council within a period of one month (which can be prolonged for another month) and publication in the Official Journal of the EU.

4.2 Financial Crime Bulletin (Issue 1)

In December 2025, the CBI issued its first Financial Crime Bulletin (issue 1), which seeks to provide an update on key regulatory developments in the areas of Anti-Money Laundering (AML), Combatting the Financing of Terrorism (CFT), Financial Sanctions (FS), and Fraud. The Bulletin provides an update on the following: risk assessment, crypto & payments, fraud and scams, financial sanctions and EU AML developments. The CBI intends to issue such bulletins biannually.

A copy of the Bulletin is available [here](#).

⁶ Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019

5 DORA

5.1 European Supervisory Authorities designate critical ICT third-party providers under DORA

On 18 November 2025 the European Supervisory Authorities, which consists of the EBA, EIOPA and ESMA (**ESAs**), published a list of designated critical ICT third-party providers (**CTPPs**) under the Regulation on digital operational resilience for the financial sector (**DORA**), marking a significant step in the implementation of the DORA oversight framework.

Designated CTPPs play a key role within the financial ecosystem of the EU and provide a range of ICT services to a variety of financial entities. The methodology for the designation under DORA was as follows:

- ESAs collected data from the Registers of Information that are maintained by financial entities which outline their contractual arrangements for ICT services;
- ESAs conducted a criticality assessment in cooperation with Competent Authorities (CAs) across the EU in sectors such as banking, securities and markets and insurance and pensions. The assessment was also carried out pursuant to a set of criteria under DORA, requiring a complete evaluation of the systemic importance of providers, the role it plays in supporting critical or important functions for financial entities and the substitutability level of its services; and
- ICT third-party providers that were assessed as critical were formally notified and provided with the right to be heard by providing a reasoned statement. Final decisions were adopted following careful review of all relevant information in order to ensure the integrity of the process.

The full list of CTPPs designated by the ESAs can be accessed [here](#).

The accompanying press release can be accessed [here](#).

5.2 ESAs report on whether statutory auditors should be subject to DORA

On 17 December 2025, the ESAs published a joint report (dated 4 December 2025) to the European Commission which concluded that the scope of DORA should not extend to statutory auditors and audit firms.

The consultation between the Commission and the ESAs took place pursuant to the requirement set out in Article 58(3) of DORA. The resulting report from the ESAs came in response to a letter from the Commission, also published on 17 December 2025, requesting the review. This letter can be accessed [here](#).

The ESAs reviewed the role played by statutory auditors and audit firms in the financial sector and greater economy and the regulatory framework which applies to them. The ESAs concluded that the inclusion under DORA would be unwarranted at this stage.

The joint report from the ESAs can be accessed [here](#).

6 MISCELLANEOUS

6.1 ESMA Work Programme 2026

In early October 2025, ESMA published its Work Programme for 2026 (ESMA Work Programme).

Please see our briefing paper on this topic [here](#).

A copy of the Work Programme is available [here](#).

6.2 ESAs work programme for 2026

On 16 October 2025, the Joint Committee of the European Supervisory Authorities (ESAs) published its 2026 work programme.

The Joint Committee identified the following priorities for 2026:

- **DORA** – The ESAs will focus on effective operation of the new oversight framework and work related to supervisory convergence under [DORA](#). They will conduct risk assessments to outline individual annual oversight plans for each designated critical third-party provider and strengthen co-ordination between participating authorities in the pan-European Systemic Cyber Incident Coordination Framework.
- **Consumer protection and financial innovation** – The ESAs intend to draft RTS based on empowerments in the proposed amendments to the PRIIPs Regulation⁷ as part of the Retail Investment Strategy. Work in this area will also consider the European Union's efforts to establish the Savings and Investments Union.
- **Sustainable Finance** – The ESAs will support the review of the Sustainable Finance Disclosure Regulation⁸ (SFDR) and develop guidelines to ensure the integration of consistent, long-term considerations and common standards for assessment methodologies into stress testing of ESG risks.
- **Cross-sector initiatives** – The ESAs will continue to assess key trends and vulnerabilities to financial stability and produce targeted analysis in this respect along with their respective sectoral risk analysis.
- **Securitisation** – The ESAs will continue to review the Securitisation Regulation⁹ and monitor third countries such as the US and UK, to determine potential risks of divergence arising from regulatory developments which may impact on cross-border investments and financing to the EU economy in a material way.

The 2026 work programme can be accessed [here](#).

6.3 European Commission adopts legislative proposals on integration of EU capital markets

On 4 December 2025, the European Commission published a communication to the European Parliament, the European Council, the Council of the EU, the ECB, the European Economic and Social Committee (EESC) and the Committee of the Regions regarding further development of capital market integration and supervision within the EU under its savings and investment union (SIU) package.

The Commission also published the texts of legislative proposals it has adopted which contain certain reforms for EU capital market integration. The proposals are to amend the following Regulations:

- [ESMA Regulation;](#)
- [EMIR;](#)
- [MiFIR;](#)
- [CSDR;](#)
- [SFTR;](#)
- [CCCPR;](#)

⁷ EU 1286/2014

⁸ EU 2019/2088

⁹ EU 2017/2402

- [DLT Pilot Regime Regulation;](#)
- [MiCA;](#)
- [CRA Regulation;](#)
- [Benchmarks Regulation;](#)
- [Securitisation Regulation;](#)
- [Green Bond Regulation;](#) and
- [Regulation \(EU\) 2024/3005](#)

This proposal can be accessed [here](#).

In addition, the package includes:

- a proposal for a Directive amending the UCITS Directive¹⁰, AIFMD¹¹ and the MiFID II Directive in respect to the further development of capital market integration and supervision within the Union. This proposal can be accessed [here](#).
- a proposal for a Regulation on settlement finality and the repeal of the Settlement Finality Directive¹² and amending the Financial Collateral Arrangements Directive¹³.

The Commission had previously consulted on its proposals for integration of EU capital markets in April 2025.

Further detail in respect to the package is available [here](#).

6.4 ESMA public statement on upcoming reporting obligations under EMIR 3.0

On 11 December 2025, ESMA published a statement on upcoming reporting obligations under EMIR 3.0¹⁴, notably; (i) the reporting under the Active Account Requirement (AAR), and (ii) the reporting of information on clearing activity in CCPs recognised under Article 25 (third country CCPs), (Article 7d of EMIR).

The obligation for in scope counterparties to report information on clearing activity in third country central CCPs became applicable in December 2025. In respect of the reporting on the AAR, ESMA expects the first reporting submission to be provided by July 2026. This first submission should include any backlog data demonstrating compliance with the AAR for the period starting 25 June 2025, along with data for 2026.

In respect of the reporting on activity in third country CCPs, ESMA specifies that counterparties will submit the first reporting on 2025 data with the 2026 reporting cycle, after the relevant Level 2 measures have been implemented.

A copy of the statement is available [here](#).

6.5 ESMA maintains recognition of two UK central counterparties under EMIR

On 16 December 2025, ESMA confirmed that it would continue to recognise two central counterparties established in the United Kingdom under EMIR, LCH Limited and LME Clear Limited.

¹⁰ UCITS Directive (2009/65/EC)

¹¹ Alternative Investment Fund Managers Directive (2011/61/EU)

¹² Settlement Finality Directive (98/26/EC)

¹³ Financial Collateral Arrangements Directive (2002/47/EC)

¹⁴ Regulation (EU) No. 2024/2987 of the European Parliament and of the Council of 27 November 2024 ("EMIR 3.0")

The decision followed the requirement under Article 25(5)(b) of EMIR to determine whether the conditions under which the counterparties were originally recognised continue to be met. Following consideration of recent regulatory, market and business developments, ESMA concluded that it was appropriate to maintain the recognition of LCH Limited at Tier 2 CCP and LME Clear Limited as Tier 1 CCP. These decisions will remain valid until 30 June 2028.

The ESMA press release setting out the decision is available [here](#).

The list of third-country central counterparties recognised to offer services and activities in the EU is available [here](#).

6.6 Renewal of the EU-UK Adequacy Decision

On 19 December 2025, the European Commission officially renewed the two 2021 data adequacy decisions for the United Kingdom, ensuring that personal data can continue to flow freely from the EU/EEA to the UK without additional safeguards. These adequacy decisions cover data exchanges under the GDPR and under the Law Enforcement Directive (**LED**).

The new decisions are subject to a sunset clause of six years, running until 27 December 2031, with the possibility to be renewed. The Commission together with representatives of the European Data Protection Board will review the functioning of the adequacy decisions after a period of four years.

A copy of the decision of renewal of the EU adequacy decision for the UK under the GDPR is available [here](#).

Key contacts

If you have any questions in relation to the content of this update, to request copies of our most recent newsletters, briefings or articles, or if you wish to be included on our mailing list going forward, please contact any of the team members below or your usual contact in Dillon Eustace.

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