

Press release

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Joint Forum publishes consultative papers on longevity risk transfer markets and point of sale disclosure

The Joint Forum released today two consultative reports.

The first is Longevity risk transfer markets: market structure, growth drivers and impediments, and potential risks. The ageing population phenomenon being observed in many countries poses serious social policy challenges. Longevity risk – the risk of paying out on pensions and annuities longer than anticipated – is significant when measured from a financial perspective. For example, certain estimates of the total global amount of annuity- and pension-related longevity risk exposure range from USD 15 trillion to USD 25 trillion. At the same time, pension funds are increasingly looking for ways to hedge or transfer this exposure. The Joint Forum is therefore publishing this forward-looking consultative report to draw attention to this issue of increasing importance, to assist in setting appropriate policies and to help ensure effective supervision of related activities and risk.

Mr Thomas Schmitz-Lippert, Chairman of the Joint Forum and Executive Director, International Policy/Affairs of BaFin, the German Federal Financial Supervisory Authority, stated "by focusing today on the risks and issues related to emerging longevity risk transfer markets, the Joint Forum is helping global policymakers and supervisors remain ahead of the curve as these markets continue to grow".

The second consultative report being released today is Point of Sale disclosure in the insurance, banking and securities sectors. It identifies and assesses differences and gaps in regulatory approaches to point of sale (POS) disclosure for investment and savings products across the insurance, banking and securities sectors. The report considers whether regulatory approaches to POS disclosure need to be further aligned across sectors. It proposes a number of recommendations, mainly to policymakers and supervisors, to assist them in considering, developing or modifying their POS disclosure regulations.

Mr Schmitz-Lippert also commented "it is critically important for consumers across all financial sectors to receive adequate product disclosure at the point of sale. The consultative document proposes basic guidance for policymakers and supervisors to achieve this objective."

Both consultative reports are available on the websites of the Bank for International Settlements (www.bis.org), the International Association of Insurance Supervisors (www.iaisweb.org) and the International Organization of Securities Commissions (www.iosco.org). Comments should be submitted by **Friday 18 October 2013** by email to baselcommittee@bis.org. Alternatively, comments may be sent by post to: Secretariat of the Joint Forum (BCBS Secretariat), Bank for International Settlements, CH-4002 Basel, Switzerland. All comments may be published on the websites of the Bank for International Settlements, IAIS and IOSCO unless a commenter specifically requests confidential treatment.

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The Joint Forum was established in 1996 under the aegis of the Basel Committee on Banking Supervision (BCBS), the International Association of Insurance Supervisors (IAIS) and the International Organization of Securities Commissions (IOSCO) to deal with issues common to the banking, securities and insurance sectors, including the regulation of financial conglomerates.