

Cover note for the public consultation on supervisory material related to the holistic framework for systemic risk in the insurance sector

1 Introduction

The purpose of this note is to provide background information on the content and presentation of the consultation package as well as the next steps.

The package that is released for public consultation presents draft supervisory material related to the holistic framework for systemic risk in the insurance sector. As part of the finalisation of the holistic framework by November 2019, the IAIS is now seeking feedback on revisions to the following Insurance Core Principles (ICPs) and Common Framework for the supervision of Internationally Active Insurance Groups (ComFrame) material:

- ICP 9 (Supervisory Review and Reporting) and ComFrame in ICP 9;
- ICP 10 (Preventive Measures, Corrective Measures and Sanctions);
- ICP 16 (Enterprise Risk Management for Solvency Purposes) and ComFrame in ICP 16;
- ICP 20 (Public Disclosure); and
- ICP 24 (Macroprudential Supervision).

Feedback on this material is invited by **15 August 2019 at 24:00 CEST (Basel time)**. Only comments submitted via the web-based consultation tool will be considered. After this deadline, the consultation tool will be closed and it will no longer be possible to submit any further comments. Feedback received by this deadline will enable the IAIS to further develop the material for finalisation.

2 Content and visual presentation of the package

The document “Revisions to the IAIS supervisory material” not only presents revisions related to the development of the holistic framework, but also presents the outcome of the 2018 public consultation on ComFrame and other new revisions released for public consultation, related to the project of revising ICPs and developing ComFrame. There is a separate public consultation webpage, with a dedicated cover note and consultation tool, for those revisions to ICPs and the development of ComFrame.

The overall package includes the following two documents:

- Revisions to the IAIS supervisory material (clean);

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- The text subject to published consultation is in black font;
 - The rest of the text, included as a background for information, is in grey font;
 - Revisions to the IAIS supervisory material (redline);
 - The revisions are presented in redline, with tracked changes to give effect to the proposed Holistic Framework supervisory policy measures and powers of intervention identified in a different colour (blue) from all other revisions (red); and
 - Both types of revisions (published for information and for comments) in redline.

3 Background information

The [Consultation Document on the Holistic Framework](#) was subject to public consultation between November 2018 and January 2019, which included proposals for supervisory policy measures and powers of intervention. The IAIS has now developed draft revised ICPs and ComFrame material, taking into account the comments received from the public consultation last year.

The draft revised supervisory material covers the following thematic areas:¹

Enhancing the link of macroprudential monitoring to the supervisory framework:

- ICP 9 (Supervisory Review and Reporting): Additional language is proposed to be included in Guidance material only.
- ICP 24 (Macroprudential Supervision): ICP 24 is revised, taking into account also the outcome of the 2017 interim public consultation. Since the revisions to the ICP also included some restructuring, track changes compared to the 2017 version are not made visible in the package.

Supervisory requirements on insurers:

- ICP 16 (Enterprise Risk Management for Solvency Purposes) and ComFrame integrated therein: Additional ERM requirements are developed targeted at liquidity risk, macroeconomic exposure and counterparty exposure. These requirements are proposed to be applied in a proportionate manner to IAIGs and other insurers as necessary.
- ICP 20 (Public Disclosure): A new Standard is proposed to be added to this ICP, covering a requirement on insurers to disclose information on liquidity risk.

Supervisory powers of intervention:

- ICP 10 (Preventive Measures, Corrective Measures, and Sanctions): Additional language is proposed to be included in Guidance material only.

¹ Another thematic area is crisis management and planning. These materials have already been subject to public consultation in July 2018 and are presented for information only.

4 Next steps

A public background call has been scheduled on 2 July 2019 at 14:00 CEST (Basel time).

Further details can be found on the Stakeholder Meetings webpage of the IAIS website, [here](#).

Following the close of the public consultation in mid-August 2019, the IAIS will start its internal process to review and resolve comments received and perform a final editorial check for consistency. The IAIS plans the adoption of the holistic framework, revised ICPs and ComFrame in November 2019.