



Press Release

International Association of Insurance Supervisors

FOR IMMEDIATE RELEASE:
Wednesday, 9 October 2013

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IAIS Commits to Develop by 2016 a Global Insurance Capital Standard

First-ever standard provides global response to global issue

Basel – The International Association of Insurance Supervisors (IAIS) today announced its plan to develop a risk based global insurance capital standard (ICS) by 2016. Full implementation will begin in 2019 after two years of testing and refinement with supervisors and internationally active insurance groups (IAIGs).

“It is undeniable that the business of insurance is global, and global issues demand global responses,” said Peter Braumüller, Chair of the IAIS Executive Committee. “This is why the IAIS, whose Members constitute nearly all of the world’s insurance supervisors, has committed to develop and implement the first-ever risk based global insurance capital standard.”

In 2010, the IAIS began developing a comprehensive framework for the supervision of IAIGs, or ComFrame. The IAIS has now agreed to develop a risk based global ICS and to include it within ComFrame, which has always included a capital component within its solvency assessment. This component, which is being finalised in concept, will be used as a starting point for development of the ICS.

In 2014, the IAIS will also develop straightforward, backstop capital requirements (BCRs), which are planned to be finalised and ready for implementation by global systemically important insurers (G-SIIs) in late-2014. BCRs will serve as the foundation for higher loss absorbency (HLA) requirements for G-SIIs, and it is anticipated that their development and testing will also inform development of the ICS.

“From the financial crisis, we learned that our global financial regulatory regime should be more robust and comprehensive in scope, and jurisdictions should share a commitment to global standards,” said Michael T. McRaith, Chair of the IAIS Technical Committee. “The IAIS – with its mission to promote effective and globally consistent supervision of the insurance industry and to contribute to global financial stability – has an essential role in fulfilling these objectives.”

This commitment follows the IAIS’ announcement in July that it considers a sound capital and supervisory framework for the insurance sector essential for supporting financial stability and protecting policyholders.

“The development of a risk based capital standard for global insurance groups has been established as a priority for the IAIS as part of its work to promote financial stability,” stated Elise Liebers, Acting Chair of the IAIS Financial Stability Committee. “The IAIS is committed to advance its development and implementation.”

The following documents released today are available at www.iaisweb.org:

- [ICS Fact Sheet](#), including table outlining timelines
- Updated [ComFrame Frequently Asked Questions](#)
- Updated [G-SII and Macroprudential Policy and Surveillance Frequently Asked Questions](#)

About the IAIS: The IAIS is a global standard setting body whose objectives are to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and to contribute to global financial stability. Its membership includes insurance regulators and supervisors from more than 200 jurisdictions in nearly 140 countries. More than 130 organisations and individuals representing professional associations, insurance and reinsurance companies, international financial institutions, consultants and other professionals are Observers. For more information, please visit www.iaisweb.org.
