

Explanatory note on the high-level principles for the development of the ICS implementation assessment methodology

The Insurance Capital Standard

Adopted in December 2024, the [Insurance Capital Standard](#) (ICS) provides a globally comparable, risk-based measure of capital adequacy for internationally active insurance groups (IAIGs) and forms the quantitative element of the Common Framework for the Supervision of IAIGs (ComFrame). It serves as a group-wide prescribed capital requirement, representing a solvency control level below which supervisors will intervene on group capital adequacy grounds.

Currently, [60 IAIGs](#) have been identified by group-wide supervisors from 19 jurisdictions worldwide. These groups often operate across multiple jurisdictions and regions, underscoring the importance of having a common language for solvency supervision.

ICS implementation assessment

IAIS members are committed to implementing IAIS standards, and members are taking steps to embed the ICS in their regulatory regimes, across all regions.

The IAIS has set high-level timelines for its plans to assess the comprehensive and consistent implementation of the ICS across jurisdictions. These timelines recognise that it will take some time for jurisdictions to finalise any necessary regulatory and supervisory changes to align with the ICS, taking into account jurisdictional circumstances, and for the IAIS to prepare for implementation assessment (see below). The plans also build on the successful example of the implementation assessment of the Holistic Framework supervisory material, with a two-phase approach starting with a self-assessment by members and, in a second phase, targeted jurisdictional assessments by the IAIS.

As the final Aggregation Method (AM) being developed by the United States (US) will be the US' implementation of the ICS, the assessment of its implementation will be subject to the same timing as ICS implementation assessments in other jurisdictions and subject to a consistent methodology (including both qualitative and quantitative analysis), assessing whether the jurisdictional implementation at least meets the ICS (ie produces at least the same level of prudence as the ICS and similar triggers of supervisory intervention), whilst also focusing on the AM specificities, as stated in the IAIS' December 2025 [press release](#) and related [FAQ](#).

High-level principles for the ICS implementation assessment methodology

The IAIS is developing a detailed methodology for assessing ICS implementation. Recognising that the assessment should not be a line-by-line exercise, this methodology will specify the level of granularity required and define the qualitative and quantitative analyses to be conducted.

As a first step of this project, the IAIS Executive Committee, at its June 2025 meeting, has agreed on high-level principles (HLPs) on how the ICS implementation assessment methodology should be

developed. Those HLPs will guide the development of the ICS implementation assessment methodology as well as the development of the self-assessment questionnaire that jurisdictions will use to measure their ICS implementation progress. Importantly, the methodology will leverage the [general IAIS principles for implementation assessment](#), while taking into account the quantitative nature of the ICS. The HLPs supplement but do not replace the general IAIS principles for implementation assessment.

For each HLP, explanations are provided to help with the understanding of the principle.

Note that this explanatory note to the HLPs does not seek to define or elaborate technical elements of the ICS implementation assessment. Further conceptual clarifications and illustrative examples will be developed and articulated in the ICS implementation assessment methodology to ensure consistent interpretation and application across jurisdictions.

The IAIS will discuss these HLPs at its [Global Seminar](#) on 8 and 9 July 2025 and hold a dedicated stakeholder event in September 2025, with an exact date to be confirmed soon.

ICS implementation assessment timeline

Starting mid-2025	The IAIS will develop a detailed methodology for assessing ICS implementation, using the HLPs as the foundation. The HLPs will also inform the design of the self-assessment questionnaire.
By end-2025	The IAIS will finalise the self-assessment questionnaire.
2026	Jurisdictions will conduct a self-assessment to evaluate their progress in implementing the ICS and identify areas where additional support or adjustments may be needed.
2027 onwards	The IAIS will aim to start carrying out detailed jurisdictional assessments of ICS implementation.