

Public consultation on draft revised Application Papers on recovery and resolution

Public background session

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Background

ICPs and ComFrame

- The Insurance Core Principles (**ICPs**) form the **globally accepted framework for insurance supervision**. The ICPs seek to encourage the maintenance of consistently high supervisory standards for insurance supervision.
- The Common Framework for the Supervision of Internationally Active Insurance Groups (**ComFrame**) builds on ICPs and establishes supervisory standards and guidance **focusing on** the effective group-wide supervision of **Internationally Active Insurance Groups (IAIGs)**.
- The **proportionality principle** applies to the ICPs and ComFrame, which allows supervisors to tailor their requirements to the size, complexity and risk profile of insurers.
- The [ICPs and ComFrame](#) were last **updated in December 2024** to make changes to certain ICPs and ComFrame.

Updated ICPs and ComFrame in 2024

- In December 2024, the IAIS adopted the updated ICPs and related ComFrame, including **recovery and resolution standards and guidance** on:
 - ICP 12.3 and ICP 12.4 and related ComFrame (resolution preparation and plans)
 - ICP 12.8 and related ComFrame (resolution powers)
 - ICP 16.15 and related ComFrame (recovery planning and plans)
- These updates were made to further enhance clarity and incorporate lessons learned from previous implementation.
- Notably, the updated requirements for recovery and resolution further align with the [FSB Key Attributes \(KAs\)](#), particularly to ensure consistency in determining insurers in the scope of these requirements:
 - **The requirement for resolution/recovery plans now applies, at a minimum, to “any insurer assessed to be systemically important or critical if it fails”.**



Application papers

- **Application papers** provide supporting material related to specific supervisory material. Supporting material aids IAIS members to put the ICPs and ComFrame into practice.
- Application papers **do not include new requirements**, but provide further advice, illustrations, recommendations or examples of good practice to supervisors on how supervisory material may be implemented.
- Similar to the ICPs and ComFrame, the **proportionality principle** applies to the content of application papers.

Draft revised Application Papers on recovery and resolution



Overview

- The papers are updated versions, reflecting the updated requirements on recovery and resolution in the ICPs and ComFrame adopted in 2024, of the following existing Application Papers:
 - [Application Paper on Resolution Powers and Planning](#) (published in June 2021)
 - *The title has now been changed to “Application Paper on resolution powers, preparation and plans” in light of the updated ICP 12.*
 - [Application Paper on Recovery Planning](#) (published in November 2019)

Inputs for the Application Papers

- The Application Papers incorporate recent legislation and supervisory practices in jurisdictions provided by **24 IAIS members**¹ through a member survey conducted in Q2 2025.
- Additionally, in coordination with the Financial Stability Board (FSB), the Application Paper on resolution includes references to the [FSB draft guidance on the scope of insurers subject to the recovery and resolution planning requirements in the FSB Key Attributes](#), which was also published for consultation in November 2025.

¹ Australia, Barbados, Belgium, Bermuda, Canada, Chile, China, China Hong Kong, Chinese Taipei, France, Germany, Hungary, Italy, Malaysia, the Netherlands, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, the UK and the USA.

Contents of the resolution paper

Draft revised Application Paper on resolution powers, preparation and plans

Contents

Key updates from the previous paper

Section 1

Introduction

- Objectives, background and scope of the paper
- Definitions of key terms

- Updated general information based on contents of the revised paper (paras 3–6)
- Additional guidance for some terms (Table 1)

Section 2

Objectives and concepts of resolution of insurers

- Objectives of a resolution framework
- Considerations related to reinsurance
- Descriptions of the “no creditor worse off than in liquidation” (NCWOL) principle

- Expanded guidance on reinsurance-related matters, including asset-intensive reinsurance (AIR) (paras 29–32)
- Further explanations on application of the NCWOL principle in insurance resolution and policyholder compensation (paras 36–37)

Section 3

Conditions for entry into resolution

- Concepts and examples for determining the initiation of resolution

- Updated and additional illustrative examples of resolution conditions reflecting recent jurisdictional practices (Box 1)

Contents of the resolution paper (continued)

Contents

Key updates from the previous paper

Section 4

Resolution powers

- Descriptions and practical application of resolution powers listed in ICP 12.8
- Comparison of similarities with preventive and corrective measures in ICP 10

- Guidance on the range of powers appropriate to the nature, scale and complexity of the insurer (para 46)
- Further explanations on the liquidation process, including cases where it is conducted by a court (para 116)

Section 5

Preparation for resolution

- Concepts and key aspects of processes and procedures to prepare for resolution

- Guidance and examples on resolution preparation in accordance with the requirements in ICP 12.3 (paras 119–121)

Section 6

Resolution plans

- Process and criteria for determining the need for a resolution plan
- Objectives and key elements of a resolution plan, including a resolution strategy

- Guidance and examples on the process and criteria to determine insurers subject to a resolution plan (paras 123–127)
- Expanded descriptions of key elements of a resolution plan, such as planning considerations for the effective execution of a resolution (paras 138–139)

Contents of the resolution paper (continued)

	Contents	Key updates from the previous paper
Section 7	<p>Resolvability assessments</p> <ul style="list-style-type: none"> • Key elements of resolvability assessment • Examples and illustrations of impediments to resolution 	<ul style="list-style-type: none"> • Additional guidance on resolvability assessments in light of resolution preparation and the development of a resolution plan (para 186)
Section 8	<p>Cooperation and coordination</p> <ul style="list-style-type: none"> • Objectives and key points of cooperation and coordination amongst involved authorities both in normal and crisis times 	<ul style="list-style-type: none"> • Guidance on cooperation and coordination in resolution preparation (paras 204–207) • Expanded explanations on cooperation with host authorities (paras 203 and 205)
Annexes	<ul style="list-style-type: none"> • Examples of relevant existing and proposed legislation on resolution powers • Examples of approaches to determining critical functions / criticality • Key aspects of resolution preparation, resolution plans and resolution strategy 	<ul style="list-style-type: none"> • Entirely updated reflecting recent practices and examples

Contents of the recovery paper

Draft revised Application Paper on recovery planning

Contents

Key updates from the previous paper

Section 1

Introduction

- Objectives, background and scope of the paper

- Updated general information based on contents of the revised paper (paras 3 and 11)

Section 2

Objectives and concepts of recovery planning

- Concepts of evaluation and a recovery plan
- Relationships between recovery planning and other related concepts

- Guidance on evaluation of risks and options to recover from severe stress (paras 16–18)
- Expanded the explanation on relationship with other ERM tools and related concepts, such as ORSA and contingency plans (paras 21–29)

Section 3

Scope of application and proportionality

- Process and criteria for determining the need for a recovery plan
- Specific matters related to group recovery plans

- Guidance and examples on the process and criteria to determine insurers subject to a recovery plan requirement (paras 31–38)

Contents of the recovery paper (continued)

Contents

Key updates from the previous paper

Section 4

Governance

- Development, approval, reviewing and testing of a recovery plan
- Governance process for monitoring breaches of recovery triggers and for escalating responses and activating the recovery plan

- Explanation on the use of concepts of the governance-related matters for the in-advance evaluation, by insurers, of their specific risks and options to recover from severe stress (para 44)

Section 5

Elements of a recovery plan

- Key elements of a recovery plan and examples of how these can be addressed in a recovery plan

- Expanded descriptions of key elements of a recovery plan, such as additional examples for a description of the insurer and communication strategy (paras 63 and 87)

Section 6

Supervisory considerations

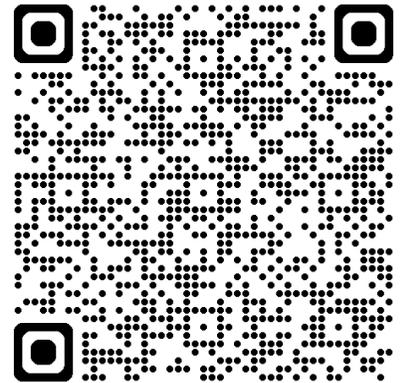
- Role of supervisors in recovery planning, including the assessment of recovery plans and supervisory cooperation and coordination

- Additional guidance on the aspects of assessing a recovery plan (paras 100 and 103–105)



Timelines and process of this consultation

- The consultation period is 25 November 2025 to 25 February 2026.
- Submit your feedback via the consultation tool accessed via the [consultation page](#).
- All consultation questions are optional – you may comment on only one of the papers, or only on a subset of questions.
- Some sections and boxes of each paper, with only minor editorial changes or no changes in content from the previous versions, are not subject to the consultation. See the consultation page for details.
- Final versions of the papers, informed by consultation feedback, are anticipated in Q3 2026.



[↑ Consultation page ↑](#)



Questions?