

Press release

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FSB identifies an initial list of global systemically important insurers (G-SIIs)

At the November 2011 Cannes Summit, the G20 Leaders endorsed the implementation of an integrated set of policy measures to address the risks to the global financial system from systemically important financial institutions (G-SIFIs). These policy measures are to apply to G-SIFIs identified by the Financial Stability Board (FSB) in collaboration with the standard-setters and national authorities.

The International Association of Insurance Supervisors (IAIS) published today a set of [policy measures](#) that are consistent with the FSB policy framework endorsed by G20 Leaders and comprise:

- recovery and resolution planning requirements;
- enhanced group-wide supervision; and
- higher loss absorbency requirements.

The FSB, in consultation with the IAIS and national authorities, today identifies [an initial list of G-SIIs](#) to which the IAIS policy measures will apply. These G-SIIs have been identified using the IAIS [assessment methodology](#). Going forward, the list of G-SIIs will be updated each year in November, starting from next year.

For the institutions identified today, implementation of enhanced group-wide supervision commences immediately, crisis management groups should be established by July 2014, and the recovery and resolution planning requirements under the [FSB Key Attributes for Effective Resolution Regimes](#) should be met by end-2014. As a foundation for higher loss absorbency requirements for G-SIIs, the IAIS will as a first step develop straightforward, backstop capital requirements to apply to all group activities, including non-insurance subsidiaries, to be finalised by the time of G20 Summit in 2014. Implementation details for higher loss absorbency requirements will be developed by end-2015 and will apply starting from January 2019 to those G-SIIs identified in November 2017.

Mark Carney, Chairman of the FSB said “Today marks an important step toward more broadly addressing the risks associated with systemically important financial institutions. These policy measures will be followed over time by a substantially strengthened comprehensive regulatory and supervisory framework for all internationally active insurers. A sound capital and supervisory framework for the insurance sector is essential for supporting financial stability.”

Notes to editors

The G20 Leaders at the Seoul Summit in November 2010 endorsed the [FSB policy framework for reducing the moral hazard of SIFIs](#). In November 2011, the FSB published an integrated set of [policy measures](#) to address the systemic and moral hazard risks associated with SIFIs, which are further set

out in the following documents: [Key Attributes of Effective Resolution Regimes for Financial Institutions](#), FSB, November 2011; and Intensity and Effectiveness of SIFI Supervision, FSB, [November 2010](#), [November 2011](#), [November 2012](#).

The FSB has endorsed the IAIS assessment methodology for identifying global systemically important insurers and the policy measures that will apply to them, published by the IAIS on 18 July 2013: [Global Systemically Important Insurers: Initial Assessment Methodology](#) and [Global Systemically Important Insurers: Policy Measures](#).

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.financialstabilityboard.org.