

## Press release

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### FSB releases guidance on resolution planning for systemically important insurers

The Financial Stability Board (FSB) today released [Developing Effective Resolution Strategies and Plans for Systemically Important Insurers](#) ('Guidance'), which provides guidance on developing effective resolution strategies and plans for systemically important insurers. The Guidance should assist authorities in meeting the resolution planning requirement under the [Key Attributes of Effective Resolution Regimes for Financial Institutions](#) (*Key Attributes*) and support Crisis Management Groups (CMGs) of [global systemically important insurers \(G-SIIs\)](#) in their resolution planning work.

The Guidance was issued for [public consultation in November 2015](#) and has been revised in light of the [comments received](#) during the consultation.<sup>1</sup> It sets out considerations for determining a preferred resolution strategy based on a strategic analysis of insurers' business models, the criticality of insurers' functions and policy holder protection arrangements. It also identifies a range of elements that need to be in place so that a resolution strategy can be credibly and feasibly be implemented, including effective cross-border cooperation, information systems and resources to absorb loss.

The Guidance has been developed with the participation of the International Association of Insurance Supervisors (IAIS) and builds on the implementation guidance published by the FSB in October 2014 on how provisions of the *Key Attributes*, including resolution powers and the details of recovery and resolution planning, should be interpreted for insurers. The Guidance also incorporates elements from a separate consultation on critical insurance functions and the [responses received](#) from the [public consultation of October 2014](#).

Patrick Montagner, Chair of the FSB Cross-border Crisis Management Group for Insurers, and Deputy Secretary General of the French Autorité de Contrôle Prudentiel et de Résolution (ACPR) welcomed the publication of the Guidance noting that "the Guidance recognises that insurers are fundamentally different from banks, but resolution planning is important for all systemically important financial institutions, including insurers. This Guidance if effectively applied will greatly improve authorities' preparedness to manage and resolve a crisis affecting a systemic insurers should this ever become necessary."

#### **Notes to editors**

The [Key Attributes](#) are the international standard for resolution regimes for financial institutions. They are a key component of the FSB's policy framework to address the moral hazard and systemic risks associated with institution that are "too-big-to-fail". They were released by the

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<sup>1</sup> A summary of the consultation responses can be found here <http://www.fsb.org/2016/06/developing-effective-resolution-strategies-and-plans-for-systemically-important-insurers-overview-of-responses-to-the-public-consultation/>

FSB in November 2011 following their endorsement by G20 Leaders at the Cannes Summit and updated last in October 2014 with on sector-specific resolution guidance, including resolution of insurers (see *Key Attributes* Appendix II-Annex 2).

The *Key Attributes* require recovery and resolution plans for all global systemically important financial institutions (G-SIFIs), including G-SIIs, and for any other firm assessed by national authorities as potentially having an impact on financial stability in the event of its failure.

In July 2013, the IAIS published a set of policy measures for G-SIIs which include resolution planning requirements consistent with the *Key Attributes*. The FSB, in consultation with the IAIS and national authorities, identified an initial list of G-SIIs in July 2013. The group of G-SIIs is updated annually based on new data and published by the FSB. [The most recent list](#) was published in November 2015.

The FSB Cross-border Crisis Management Group for Insurers brings together representatives from CMGs for G-SIIs and conducts work on guidance to support the resolution planning work within CMGs.

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 also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

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.fsb.org](http://www.fsb.org).