

Press release

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FSB welcomes IAIS proposed insurance systemic risk framework and decides not to engage in an identification of G-SIIs in 2018

The FSB welcomes the [publication today](#) of the International Association of Insurance Supervisors (IAIS) [consultation document](#) on a proposed holistic framework for the assessment and mitigation of systemic risk in the insurance sector. It sets out the Activities-Based Approach for sector-wide risk monitoring and management, as a key component of the framework, and tools for dealing with the build-up of risk within individual insurers. The FSB notes that a new holistic framework, appropriately implemented, would provide an enhanced basis for mitigating systemic risk in the insurance sector.

The IAIS will further refine the proposed holistic framework, taking account of the public consultation feedback, including feedback on the scope of application of the supervisory measures to ensure proportional application. The specific measures to be incorporated in the IAIS supervisory material (Insurance Core Principles and Common Framework for the Supervision of Internationally Active Insurance Groups, ComFrame) will then be exposed for further public consultation. The IAIS will finalise the holistic framework in 2019, for implementation in 2020.

In light of the progress with the proposed holistic framework, the FSB, in consultation with the IAIS and national authorities, has decided not to engage in an identification of global systemically important insurers (G-SIIs) in 2018. The FSB will assess the IAIS's recommendation to suspend G-SII identification from 2020 once the holistic framework is finalised in November 2019. In November 2022, the FSB will, based on the initial years of implementation of the holistic framework, review the need to either discontinue or re-establish an annual identification of G-SIIs by the FSB in consultation with the IAIS and national authorities.

In the period until the holistic framework is implemented, the relevant group-wide supervisors have committed to continue applying existing enhanced supervisory policy measures as described in the IAIS consultative document on the holistic framework published today, as applicable.

The FSB will receive from the IAIS an annual update of the IAIS assessment of systemic risk in the global insurance sector and of the supervisory response. The IAIS will continue its annual global monitoring exercise, including the annual data collection from individual insurers building on the current G-SII data collection template and instructions and implement additional data collection from supervisors as necessary to support an assessment of sector-wide trends with regard to specific activities and exposures.

Notes to editors

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes 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 approximately 70 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.