

Press release

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FSB publishes Key Attributes Assessment Methodology for the Insurance Sector

The Financial Stability Board (FSB) today published a *Key Attributes Assessment Methodology for the Insurance Sector* (“insurance KAAM”). The methodology sets out essential criteria to guide the assessment of the compliance of a jurisdiction’s insurance resolution framework with the FSB’s Key Attributes of Effective Resolution Regimes for Financial Institutions (‘Key Attributes’). It was developed in collaboration with experts from FSB jurisdictions, relevant standard-setting bodies, the International Monetary Fund and the World Bank. It is designed to promote consistent assessments across jurisdictions and to provide guidance to jurisdictions when adopting or amending their resolution regimes to implement the Key Attributes.

The Key Attributes constitute an ‘umbrella’ standard for resolution regimes for all types of financial institutions. Implementation of the Key Attributes allows authorities to resolve financial institutions in an orderly manner without taxpayer exposure to loss from solvency support, while maintaining continuity of their vital economic functions. However, not all attributes are equally relevant for all sectors. The Key Attributes Assessment Methodology provides an insurance sector-specific interpretation of individual KAs. It stresses that a jurisdiction’s insurance resolution regime should be proportionate to the size, structure and complexity of the jurisdiction’s insurance system.

The FSB also today issued a note explaining the application of the insurance KAAM and the Key Attributes during the period of suspension of the designation of Global Systemically Important Insurers (G-SIIs). It states that the Key Attributes continue to apply during the suspension period to any insurer that could be systemically significant or critical in failure. (National authorities may apply to certain insurers the requirements specific to G-SIIs, which are the requirements for a crisis management group, institution-specific cross-border cooperation agreements and resolvability assessments). In the event of a 2022 decision by the FSB to discontinue the G-SII list, the FSB will review the scope of application of G-SII specific requirements in consultation with the International Association of Insurance Supervisors.

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 Randal K. Quarles, Vice Chairman, US Federal Reserve; its Vice Chair is Klaas Knot, President of De Nederlandsche Bank. The FSB 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.