



## International Association of Insurance Supervisors

### Press release

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#### **Insurance supervisors call for rapid progress on financial instruments standards**

The International Association of Insurance Supervisors (IAIS) strongly encourages the International Accounting Standards Board and the U.S. Financial Accounting Standards Board to issue a single set of converged accounting standards for financial instruments as soon as practical. The IAIS also welcomes the G20 recommendation for accounting standard setters to take action before the end of the year to reduce the complexity of accounting standards for financial instruments.

Al Gross, the Chairman of the IAIS's Technical Committee said "Thus far the insurance industry has weathered the financial crisis well. However, overall the financial sector has seen too many cases of over-optimistic valuations leading up to the current financial crisis. Accounting arbitrage, with the accounting rules changing every few months, is too tempting in difficult times. We believe the time is ripe to develop a single set of converged accounting standards for financial institutions."

He continued, "Insurance supervisors are vitally concerned with the protection of policyholders which is accomplished through prudential regulation, including solvency evaluation. A converged worldwide valuation standard would help supervisors in their evaluation of insurers around the world."

The insurance sector is one of the largest buyers of financial instruments in the world. A single high-quality standard on financial instruments would be in line with the IAIS goals of using general purpose financial statements for prudential regulatory purposes to the extent possible.

#### **About the IAIS**

Established in 1994, the IAIS represents insurance regulators and supervisors of some 190 jurisdictions in nearly 140 countries and has also more than 120 insurance professionals, insurers, reinsurers and trade associations as observers. The IAIS issues global insurance principles, standards and guidance papers, provides training and support on issues related to insurance supervision and works closely with other international institutions to promote financial stability.

For further information, see [www.iaisweb.org](http://www.iaisweb.org)