



International Association of Insurance Supervisors

Press release

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IAIS approves development of a Common Framework for the Supervision of Internationally Active Insurance Groups

The IAIS Executive Committee this week approved the recommendations on the design and workplan regarding a framework to better supervise internationally active insurance groups and their group-wide risks.

The recommendations for the Common Framework for the Supervision of Internationally Active Insurance Groups were drawn up by a task force chaired by Monica Mächler of the Swiss Financial Market Supervisory Authority (FINMA).

The workplan provides for the development of approaches to better monitor group structures, group business mix and intra-group transactions with a view to identifying risks and establishing safeguards where necessary. Further, the framework will set out quantitative and qualitative requirements, provide a platform for supervisory cooperation and interaction, and facilitate wide implementation.

The framework's overall development will be coordinated and steered by the Executive Committee through the current task force. A comprehensive concept paper is planned to be ready for consultation in the first half of 2011 and the full framework by 2013. This will be followed by impact assessments.

Peter Braumüller, Chair of the IAIS Executive Committee, commented: "The IAIS is pleased to commence the development of the Common Framework for the Supervision of Internationally Active Insurance Groups. The framework will put internationally active insurance groups on a similar footing and allow home and host supervisors to better understand and supervise such groups. We are confident that the framework will become an important contribution to our ongoing wider efforts to promote financial stability."

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 organises meetings and seminars for insurance supervisors. The IAIS works closely with other international institutions to promote financial stability.