



International Association of Insurance Supervisors

Press release

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9 March 2009

IAIS moves forward on group-wide solvency assessment and supervision

The International Association of Insurance Supervisors (IAIS) has today released an Issues Paper on Group-Wide Solvency Assessment and Supervision. The financial crisis has served to emphasise the importance of supervisors taking both a solo and group-wide approach to supervision. The paper elaborates on challenges from a group-wide perspective, including:

- intra-group transactions and gearing of capital
- fungibility of capital and transferability of assets
- complexity of group structures, including non regulated entities
- diversity of legal and regulatory frameworks and regulatory arbitrage
- measurement of risk dependencies and aggregation of risks

This paper informs the future IAIS work on the development of a comprehensive suite of supervisory papers on group-wide solvency assessment and supervision. The IAIS acknowledges that the financial crisis is evolving and that supervisory lessons are still emerging. Peter Braumüller, Chair of the IAIS Executive Committee, noted that “as the IAIS develops further papers on group-wide supervision, we will continue to remain vigilant and consider the lessons learnt from the financial crisis”.

The paper can be found on the IAIS website (www.iaisweb.org) under Library / Issues papers and other reports.

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.