

FOR IMMEDIATE RELEASE:
Thursday, 2 November 2017

CONTACT: Romain Paserot
+41 76 350 8749
Romain.Paserot@bis.org

IAIS Announces Unified Path to Convergence on ICS Version 2.0

Agrees on implementation plan; next steps towards ultimate goal

Kuala Lumpur, Malaysia – The International Association of Insurance Supervisors (IAIS) today announced a unified path to convergence of group capital standards in furtherance of its ultimate goal of a single ICS that achieves comparable outcomes across jurisdictions. This pivotal agreement responds to a call from Members and stakeholders for more clarity on what the implementation of Insurance Capital Standard (ICS) Version 2.0 will mean in practice.

Vicky Saporta, Chair of the IAIS Executive Committee, said: “By reaching this agreement, the IAIS will achieve its aim of creating a common language for supervisory discussions of group solvency. We have reflected the priorities of our Members and made significant progress towards our ultimate goal”.

The IAIS has agreed that implementation of ICS Version 2.0 will be conducted in two phases – a five-year monitoring phase followed by an implementation phase. Implementation of ICS Version 2.0 will also have two equally important components. The first is mandatory confidential reporting by all IAIGs of a reference ICS. The second is additional reporting, at the option of the group-wide supervisor. Following the announcement by Members from the United States of development of an aggregation-based group capital calculation, the IAIS has further agreed to collect data to allow it to assess by the end of the monitoring period whether or not the aggregation method provides comparable outcomes to the ICS.

Ted Nickel, Wisconsin (USA) Insurance Commissioner and President of the National Association of Insurance Commissioners (NAIC), said: “This is a remarkable accomplishment, achieved through a lot of give and take. It has been said that it is always darkest before the dawn and with this path forward on Version 2.0, we have our dawn. We look forward to continuing to be part of the important work ahead”.

Hiroshi Ota, Deputy Commissioner for International Affairs at the Japan Financial Services Agency and Vice Chair of the IAIS Executive Committee, said: “Despite coming from different economies and societies, with this agreement we have once again shown how our Members can come together to accomplish great things. While Members have at times expressed different opinions, our aim has been the same - to help the insurance market be more stable and resilient while continuing to look forward”.

Gabriel Bernardino, Chair of the European Insurance and Occupational Pensions Authority (EIOPA), said: “This agreement achieves the clarity we needed for the way forward. When we reach the ultimate goal, we will look back on the agreement forged in Kuala Lumpur as a watershed moment in the development of the ICS”.

More information, including the details of the Kuala Lumpur Agreement, can be found on the IAIS website or by clicking [here](#).

About the IAIS: The IAIS is a global standard setting body whose objectives are to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and to contribute to global financial stability. Its membership includes insurance regulators and supervisors from more than 200 jurisdictions. For more information, please visit www.iaisweb.org.
