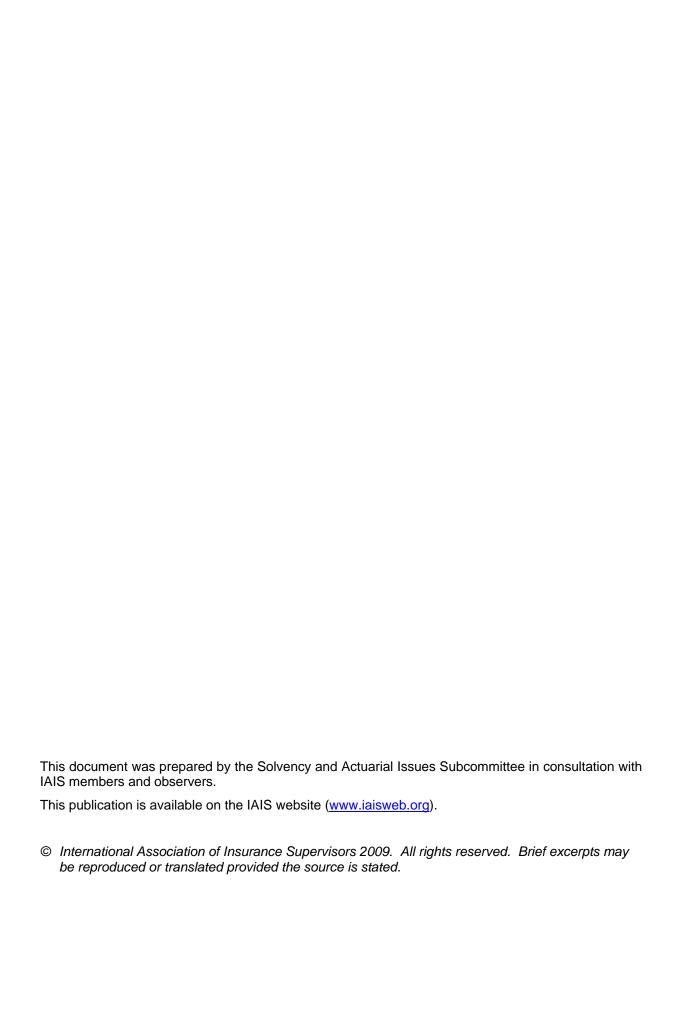
INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS



STANDARD ON THE STRUCTURE OF CAPITAL RESOURCES FOR SOLVENCY PURPOSES

OCTOBER 2009



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IAIS Standard on the structure of capital resources for solvency purposes

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1. Purpose and role of capital resources

The solvency regime should require insurers to maintain capital resources to meet the regulatory capital requirements.

2. **Determination and assessment of capital resources**

- 2. The solvency regime should define the approach to determining the capital resources eligible to meet regulatory capital requirements and their value, consistent with a total balance sheet approach for solvency assessment and having regard to the quality and suitability of capital elements.
- The solvency regime should establish criteria for assessing the quality and suitability 3. of capital resources, having regard to their ability to absorb losses on both a going-concern and wind-up basis.
- The solvency regime should require the insurer to assess the quality and adequacy of its capital resources to meet regulatory capital requirements and any additional capital needs.

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