

ICS economic impact assessment

Stakeholder event

Public

Virtual, Friday 27 January 2023

Introduction

Scope and nature of the ICS economic impact assessment (1/2)

- The ICS is seeking input from Volunteer Groups and stakeholders to develop the scope for the Economic Impact Assessment of the ICS.
- As part of the agreement for the ICS to enter the monitoring period, the IAIS committed to producing an Economic Impact Assessment of the ICS ahead of its implementation as a Prescribed Capital Requirement (PCR) in 2025.
- The purpose of this Economic Impact Assessment is to develop an understanding of any potential significant effects of the ICS.
- The outcomes of this assessment will be considered as part of the process for finalising the design of the ICS and help in refining the implementation process of the ICS as a PCR.

Scope and nature of the ICS economic impact assessment (2/2)

- This event gives stakeholders an opportunity to influence the nature and scope of assessment at an early stage.
- An in-person stakeholder event on this topic was also held in Tampa, Florida in December 2022.
- The IAIS will reflect on today's discussion as the scope and data requirements of the assessment are developed.
- The assessment will be undertaken during 2023 and 2024.

Questions to guide the discussion

Questions to guide the discussion (1/2)

1. What benefits do you foresee from the introduction of the ICS as a consistent global capital standard for IAIGs (eg increased policyholder protection or confidence in the insurance industry, better alignment of group regulatory framework to risk profiles, level playing field, improved communication with stakeholders (supervisors, investors))?
2. What would be the direct one-time costs for implementation of the ICS and what would be the ongoing costs (eg IT infrastructure, resources, training)?
3. What impacts might the implementation of the ICS have on the business models of IAIGs operating in your region?

Questions to guide the discussion (2/2)

4. What would be the significant, direct economic impacts and opportunities from implementation of the ICS for IAIGs in your region?
5. What impacts (if any) will the implementation of the ICS have on the availability of insurance products in your region?
6. What impacts (if any) might the implementation of the ICS have beyond the insurance industry (eg local or global financial markets)?
7. What would be the significant direct compliance costs (if any) for IAIGs to implement and comply with the requirements of the ICS?

Any other questions?