

IAIS Glossary terms related to ICP 14

Terms	Definition as proposed
Current estimate* [ICP <u>14.7, 14.8, 14.9, 14.11, 17.8.8,</u> 20.5.4 CF 16.7.e.2]	Reflects the present value of projected future cash flows that arise in fulfilling insurance obligations, using unbiased, current assumptions.
Margin over current estimate (MOCE)* [ICP <u>14.7, 14.9, 14.11.1-2</u> CF 16.7.e.2]	A margin that reflects the inherent uncertainty in the current estimate.
Market-consistent valuation* [ICP <u>14.0.4, 14.3.5, 14.5.4, 14.5.5, 14.5.6, 14.5.8, 14.5.10</u>]	An economic valuation of an insurer's assets and liabilities that is consistent with the assessment of their risk and value by market participants (mark-to-market valuation) or, in the absence of a direct market valuation, consistent with the valuation principles, methodologies and risk parameters that market participants would be expected to use (mark-to-model valuation).
Technical provisions* [ICP 8.6, 9.4.5-6 and Annex D), 12.6.1, 12.9.2, <u>14.0.2, 14.0.9, 14.1.2, 14.1.4-5, 14.3.11, 14.5.10, 14.6, 14.7, 14.8.8-11, 14.10, 14.11,</u> 15.1.1, 15.3.3, 17.1.2-5, 17.3.7, 17.4, 17.7, 17.8.6-8, 17.9.1, 17.10.5, 17.10.7-8, 17.10.21, 17.14.8, 20.2, 20.5, 20.6.7, 20.12.15-16 CF 16.8.6.a, 16.7.d, 16.7.e]	Assets or liabilities that represent the economic value of the insurer fulfilling its insurance obligations to policyholders. The technical provision corresponds to the current estimate and a margin (MOCE).