



International Association for the
Study of Insurance Economics

Études et Dossiers

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“Towards a Global Architecture for Insurance
Regulations and Supervision”

3-4 April 2008
Geneva, Switzerland

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The Geneva Association

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Layout & Distribution: Valéria Kozakova

New Solvency Framework Regime of the IAIS

Peter Braumüller



Agenda

- Background of the IAIS
- Key milestones achieved thus far
 - Framework, structure and cornerstones
- Recent guidance papers on capital requirements, ERM and internal models
- Work under development

IAIS represents global insurance regulators

- Founded in 1994
- Members from some 190 jurisdictions in almost 140 countries
- Membership classes

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graph TD
    MC[Membership classes] --- M[Members]
    MC --- O[Observers]
    M --- IS[Insurance Supervisors]
    M --- NAIC[The NAIC]
    M --- IG[International Governmental/ Statutory bodies]
    O --- OIP[Other interested parties]
            
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New Solvency Framework Regime of the IAIS

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Geneva


3 objectives for mutual benefits

- a) Contribute to improved supervision in order to maintain efficient, fair, safe and stable insurance markets for the benefit and protection of policyholders
- b) Promote development of well-regulated insurance markets
- c) Contribute to global financial stability

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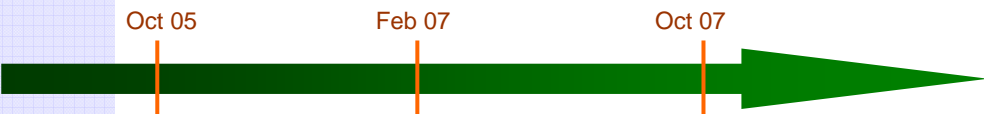
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Key milestones achieved towards global convergence of insurer solvency assessment



Oct 05

(i) A new framework for insurance supervision – **“Framework paper”**

(ii) Cornerstones for the formation of regulatory financial requirements – **“Cornerstones paper”**

Feb 07

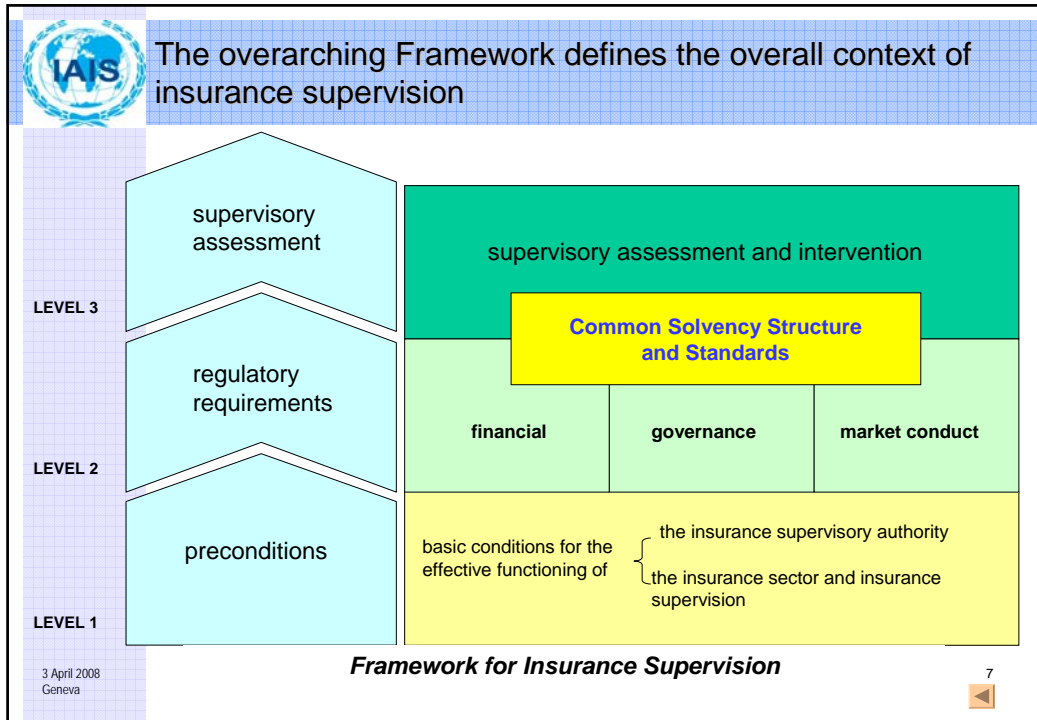
The IAIS Common Structure for the Assessment of Insurer Solvency – **“Structure paper”**

Oct 07

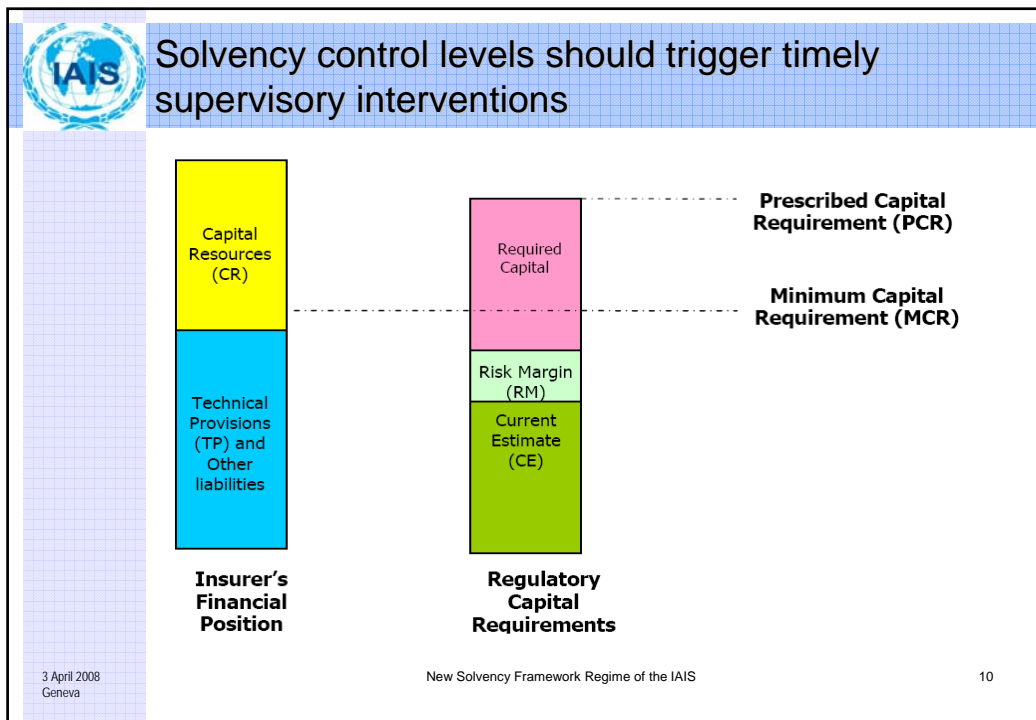
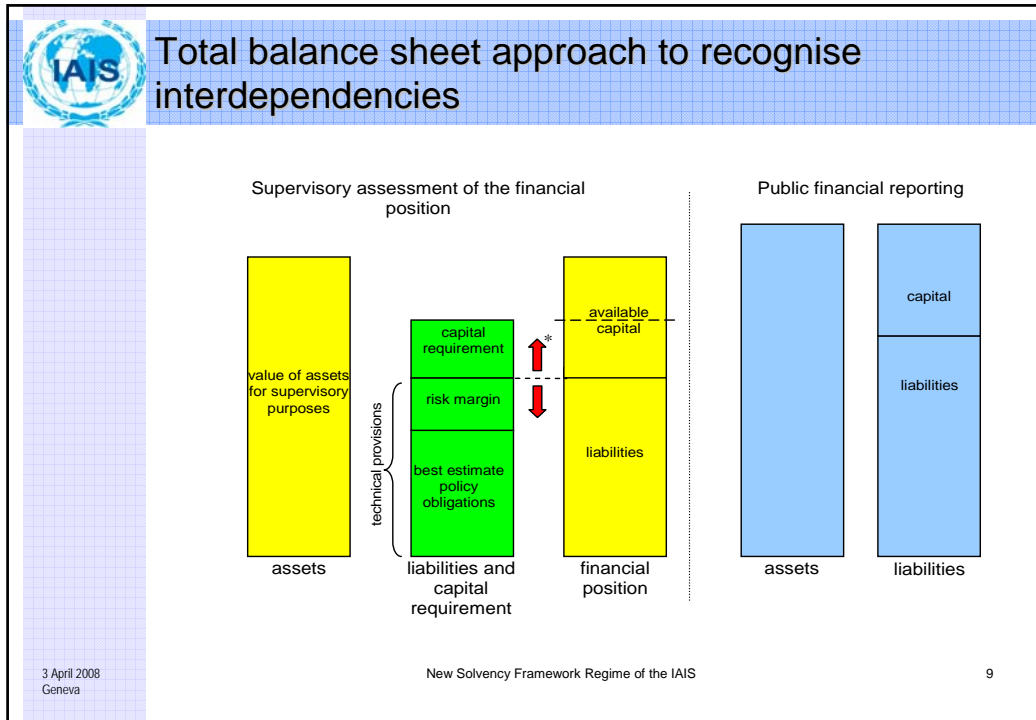
Guidance papers on:

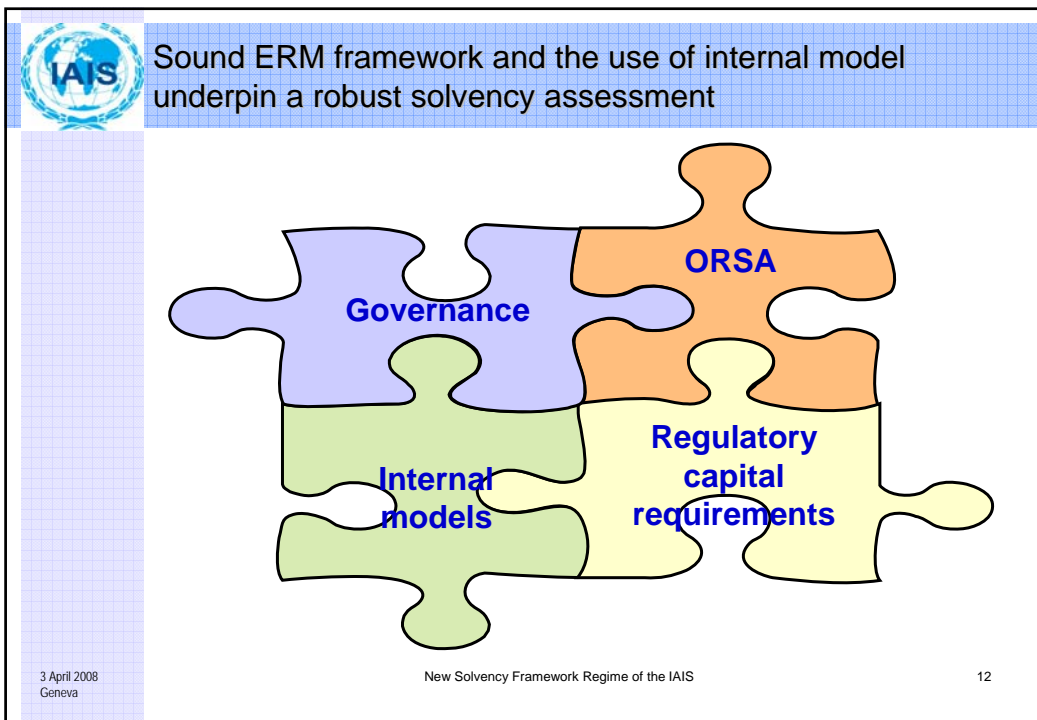
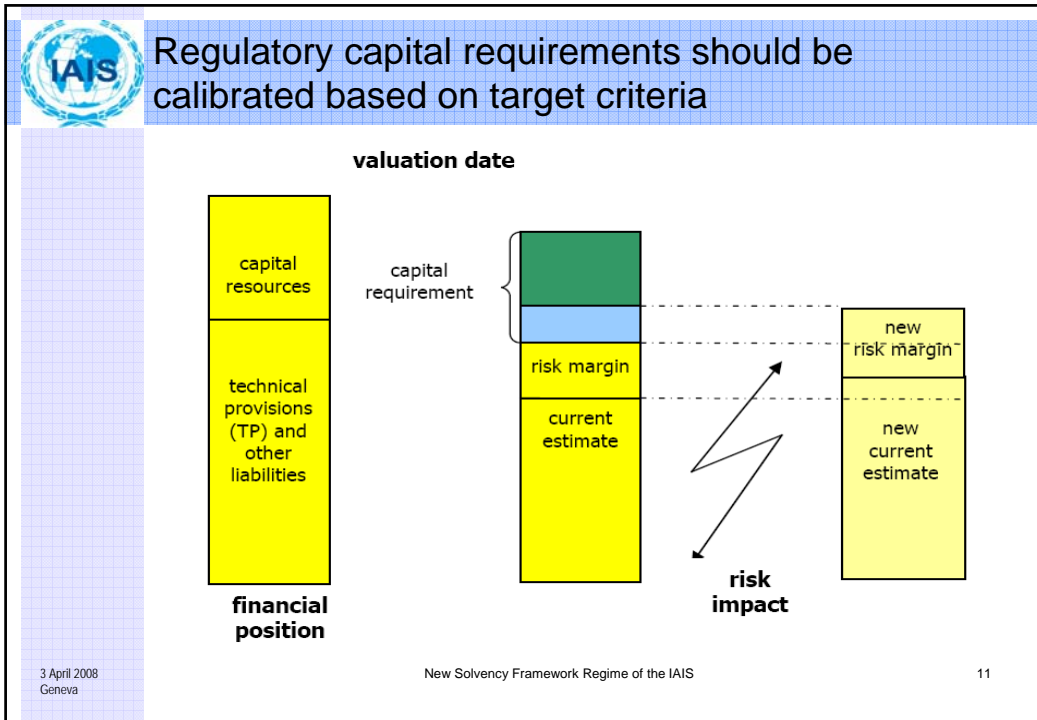
- (i) The structure of regulatory **capital requirements**
- (ii) **Enterprise risk management** for capital adequacy and solvency purposes
- (iii) The use of **internal models** for risk and capital management by insurers

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- 3 April 2008 Geneva New Solvency Framework Regime of the IAIS 8





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Further work is underway towards global convergence of insurer solvency assessment

Oct 05 Feb 07 Oct 07 Oct 08 2009

(i) A new framework for insurance supervision – **“Framework paper”**

The IAIS Common Structure for the Assessment of Insurer Solvency – **“Structure paper”**

Guidance papers on:
 (i) The structure of regulatory **capital requirements**
 (ii) **Enterprise risk management** for capital adequacy and solvency purposes
 (iii) The use of **internal models** for risk and capital management by insurers

Developed into **Standards**

- Std & GP on **valuation** of assets and technical provisions
- Std and GP on **capital resources**
- Issues paper on **group capital adequacy**
- Review of Principles of capital adequacy and solvency
- Review GP on stress testing

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