



Cover note

Public Consultation Document on the Basic Capital Requirements (BCR) for Global Systemically Important Insurers (G-SIIs)

Thank you very much for your interest in the IAIS' proposed Basic Capital Requirements (BCR) for global systemically important insurers (G-SIIs).

This is the first of two planned public consultations and it will inform the design of field testing of the BCR, which is scheduled to commence in March 2014. The second consultation is scheduled to commence in July 2014, after field testing, and will provide an opportunity for comments on more specific BCR proposals.

The second consultation will specifically invite comments on a range of questions regarding the BCR and its relationship with other existing and proposed regulatory measures affecting G-SIIs and Internationally Active Insurance Groups (IAIGs), such as:

1. Is the purpose of the BCR clear enough?
2. At what level should the BCR be calibrated compared to existing national benchmarks?
3. Is the BCR expected to be a temporary measure, until the risk-based group-wide global insurance capital standard (ICS) is in place, or will it continue to apply?
4. Should a backstop capital measure be introduced to complement the proposed ICS, in addition to or instead of the BCR? If so what should the purpose of such a backstop capital measure be, compared to the BCR?
5. Will the proposed approach to valuation of assets and liabilities provide sufficient global comparability?
6. Can a reasonable balance of risk sensitivity and simplicity be achieved using a factor based approach?
7. How should the BCR be integrated into national or regional frameworks which are in the process of being implemented or modified?
8. How should supervisors enforce the BCR in a consistent manner across jurisdictions?

Accordingly, respondents are encouraged to wait for the second consultation before providing input on these questions. In order to facilitate an efficient compilation process, comments must be submitted through the IAIS website www.iaisweb.org¹ and not by any other means (e.g. Word or Excel documents sent directly to the IAIS). We appreciate your understanding and cooperation.

¹ As of 16 December, the website facility for submitting comments is under development and will be available soon.

Please note the following instructions before you provide comments:

- Anyone, including IAIS Members and Observers, is welcome to provide comments.
- The deadline to submit comments is midnight (Central European Time) on 3 February 2014.
- Mandatory questions regarding a respondent's status are marked as mandatory.
- Comments should be provided against the correspondingly numbered sub-sections from the consultation document.
- If you need to stop and return to the comment form later, please click on the "Next" button to ensure that your answers are saved. When you return, Members and Observers should login to the secure part of the website and click on the consultation link. Public users should use the page: *(to be advised)*
- You can provide additional sets of comments, via the same process, until the deadline on 3 February 2014.
- Please use the navigation buttons at the bottom of each page, or in the "jump to" section on the top right of each page, to move around within the comment form. Do not use your web browser's navigation buttons.
- After the consultation period ends, the IAIS will compile and publish all comments received with resolution of issues. If you wish to keep your comments confidential, please indicate so by clicking "yes" on the appropriate box on the next page.
- If you wish to make comments on any of the general questions listed above in advance of the second consultation, please submit those comments on the page near the end of the comment form marked "GENERAL QUESTIONS."

You must click the "submit" button on the last page of questions in order to submit your comments. You can also request a PDF of your answers for your own records at the end of the comment form.

Please do not hesitate to contact the IAIS via IAIS@bis.org or +41 61 225 7300, should you have any questions.