

## **IAIS finalises criteria that will be used to assess whether the Aggregation Method provides comparable outcomes to the Insurance Capital Standard**

- The IAIS is developing the Insurance Capital Standard (ICS) as a consolidated group-wide capital standard for Internationally Active Insurance Groups (IAIGs). The ICS will provide a common language for supervisory discussions of group solvency of IAIGs and enhance global convergence among group capital standards.
- While not part of the ICS project, the United States is developing an Aggregation Method (AM) to a group capital calculation, which, if deemed comparable, will be considered an outcome-equivalent approach for implementation of the ICS as a prescribed capital requirement.
- The final comparability criteria published today build on the definition of comparable outcomes and the six high-level principles agreed in 2021 and will be used to determine if the AM provides comparable outcomes to the ICS.
- Assessment of whether the AM provides comparable outcomes to the ICS will begin in Q3 2023.

**Basel, Switzerland** – The International Association of Insurance Supervisors (IAIS) has reached an important milestone in the comparability assessment project – an initiative that will ascertain whether the Aggregation Method (AM) provides comparable outcomes to the Insurance Capital Standard (ICS).

The IAIS has agreed on the criteria that will be used to assess whether the AM provides comparable outcomes to the ICS, following public consultation and the resolution of comments published today. This marks the finalisation of an important step for the comparability assessment project and equips the IAIS to begin the comparability assessment in Q3 2023.

“The finalisation of the comparability criteria, through a robust and transparent process, marks further progress toward our commitment to assess whether the AM provides comparable outcomes to the ICS”, said Vicky Saporta, IAIS Executive Committee Chair. “Stakeholder feedback was particularly important to ensure a broad range of perspectives on the appropriateness of the criteria, and we are pleased with the breadth of input.”

In November 2019, the IAIS agreed on a process and timeline for developing criteria to assess whether the AM provides comparable outcomes to the ICS. As previously communicated, the IAIS agreed on a draft definition of comparable outcomes and an overarching approach (ie areas of focus) to guide the development of high-level principles (HLPs) and criteria. Based on the draft definition and overarching approach, the IAIS developed draft HLPs to inform the criteria that will be used to assess whether the AM provides comparable outcomes to the ICS.

In March 2021, following public consultation, the IAIS agreed on a definition of comparable outcomes and six HLPs to guide the development of the comparability criteria. The IAIS began developing the draft comparability criteria in April 2021. Detailed criteria were developed for each HLP and released for public consultation in June 2022.



The IAIS received numerous comments as part of the public consultation on draft criteria, providing valuable input for the finalisation of the comparability criteria. The IAIS spent the latter part of 2022 reviewing the feedback received and considering revisions to the draft criteria relevant to each HLP.

Work continues on this important project as the IAIS prepares for the commencement of the comparability assessment in Q3 2023 and will follow an assessment methodology, process and governance as agreed upon by the IAIS<sup>1</sup>.

Click to read the [final criteria](#), [resolution of comments](#), [compiled comments](#) and the accompanying [explanatory note](#).

For more information on the Comparability Assessment visit this [page](#).

For more information on the ICS visit this [page](#).

### **About the IAIS**

The IAIS is a global standard-setting body whose objectives are to promote effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to the maintenance of global financial stability. Its membership includes insurance supervisors from more than 200 jurisdictions. Learn more at [www.iaisweb.org](http://www.iaisweb.org). Follow us on LinkedIn: [IAIS – International Association of Insurance Supervisors](#).

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<sup>1</sup> Refer to the [Explanatory Note on the draft criteria for the AM comparability assessment - June 2022](#)