

Policy Development Committee (PDC)

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ICS adoption



ICS – adopted at AGM

- IAIS members **adopted the ICS at the AGM yesterday**
- **Pivotal moment** for the IAIS and the global insurance sector
- Safeguarding interests of policyholders, enhancing financial stability of insurers and ensuring a level playing field, **fostering trust amongst stakeholders and supervisors**
- Marking the end of an extensive standard-setting period
- Focus now on **implementation of ICS**

ICS – over a decade in development

Developing the ICS required extensive global collaboration

More than 20 jurisdictions represented within the ICS technical working group (CSFWG)

Engagement with diverse volunteer insurance groups provided real-world data and expertise

Five years of field testing, five years of monitoring, over 50 volunteer groups from all over the world, four public consultations and countless stakeholder meetings

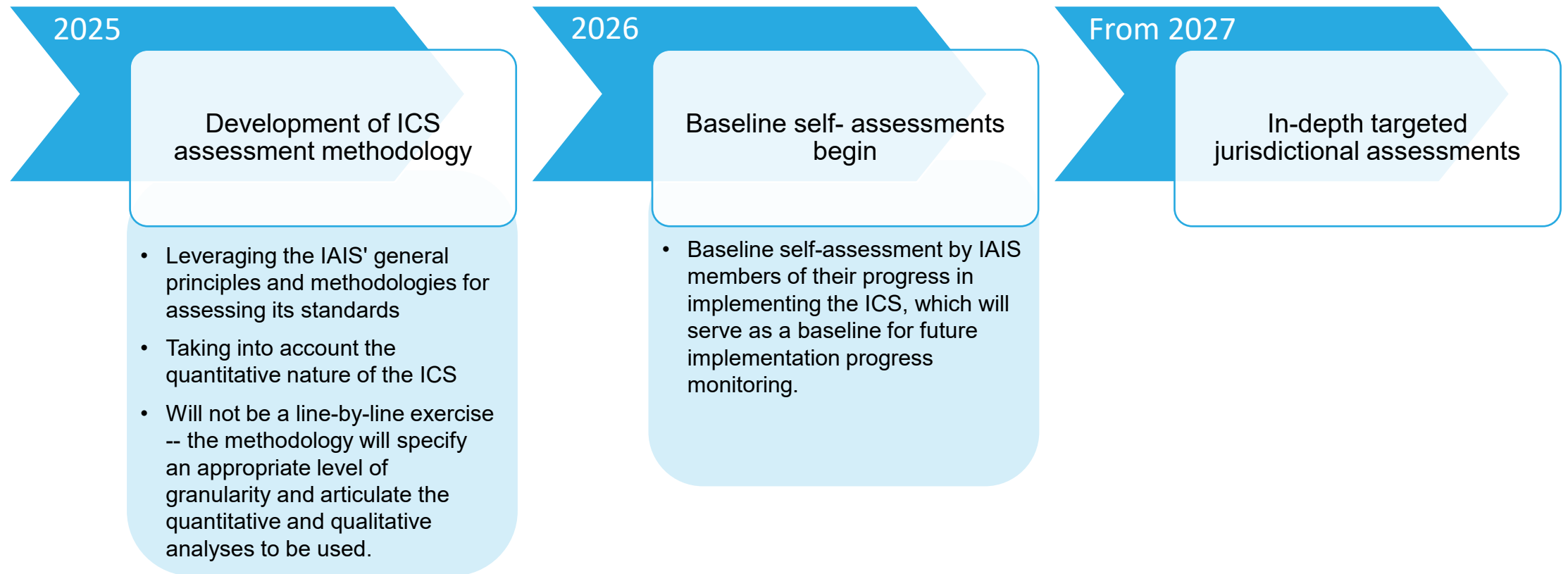
The ICS community, a global group of IAIS members, IAIGs, interested parties and stakeholders, have actively participated in developing and finalising the global ICS. Over the years, they have contributed an immense amount of work hours, technical input and **over five million data points**, all of which have made the ICS probably the most tested quantitative capital standard in the history of financial sector standards.

Comframe and ICS

- **ComFrame** builds upon the Insurance Core Principles (ICPs) to establish supervisory standards and guidance for effective group-wide supervision of internationally active insurance groups (IAIGs).
- **ICS** forms the quantitative element of ComFrame.
- **ICS Documentation and amendments to ComFrame:**
 - ICS is part of ComFrame but adopted as two standalone documents:
 - **Level 1 Document:** Sets out overarching principles and concepts of the ICS.
 - **Level 2 Document:** Provides detailed specifications.
 - **Amendments to ComFrame** have been made to create a link with the ICS Level 1 and Level 2 documents.

ICS implementation assessment

ICS implementation assessment will follow a **two-step approach**, mirroring the successful model used for the IAIS' implementation assessment of the [Holistic Framework supervisory material](#).



This timeline recognises that it will take some time for jurisdictions to finalise any necessary regulatory and supervisory changes to align with the ICS, taking into account jurisdictional circumstances, and for the IAIS to prepare for implementation assessment.

Aggregation Method (AM) and the ICS

Outcome of the ICS and AM comparability assessment

In finalising the comparability assessment, the IAIS has concluded that a US AM provides a basis for implementation of the ICS to produce comparable outcomes.

The comparability assessment of the provisional AM has highlighted some areas where work as part of implementation of the final AM will help ensure convergence, specifically treatment of interest rate risk and appropriate timing of supervisory intervention.

In using the final AM as its implementation of the ICS, the US commits to addressing those areas in appropriate ways, which will be reviewed during the IAIS ICS implementation assessment process.

As the final AM will be the US' implementation of the ICS, the assessment of its implementation will be subject to the same assessment approach and timetable as ICS implementation assessments of other jurisdictions.

Recovery and resolution, conduct and culture, operational resilience, accounting and auditing



Recovery and resolution

IAIS adopted the revised ICPs and ComFrame standards related to recovery and resolution at the AGM yesterday

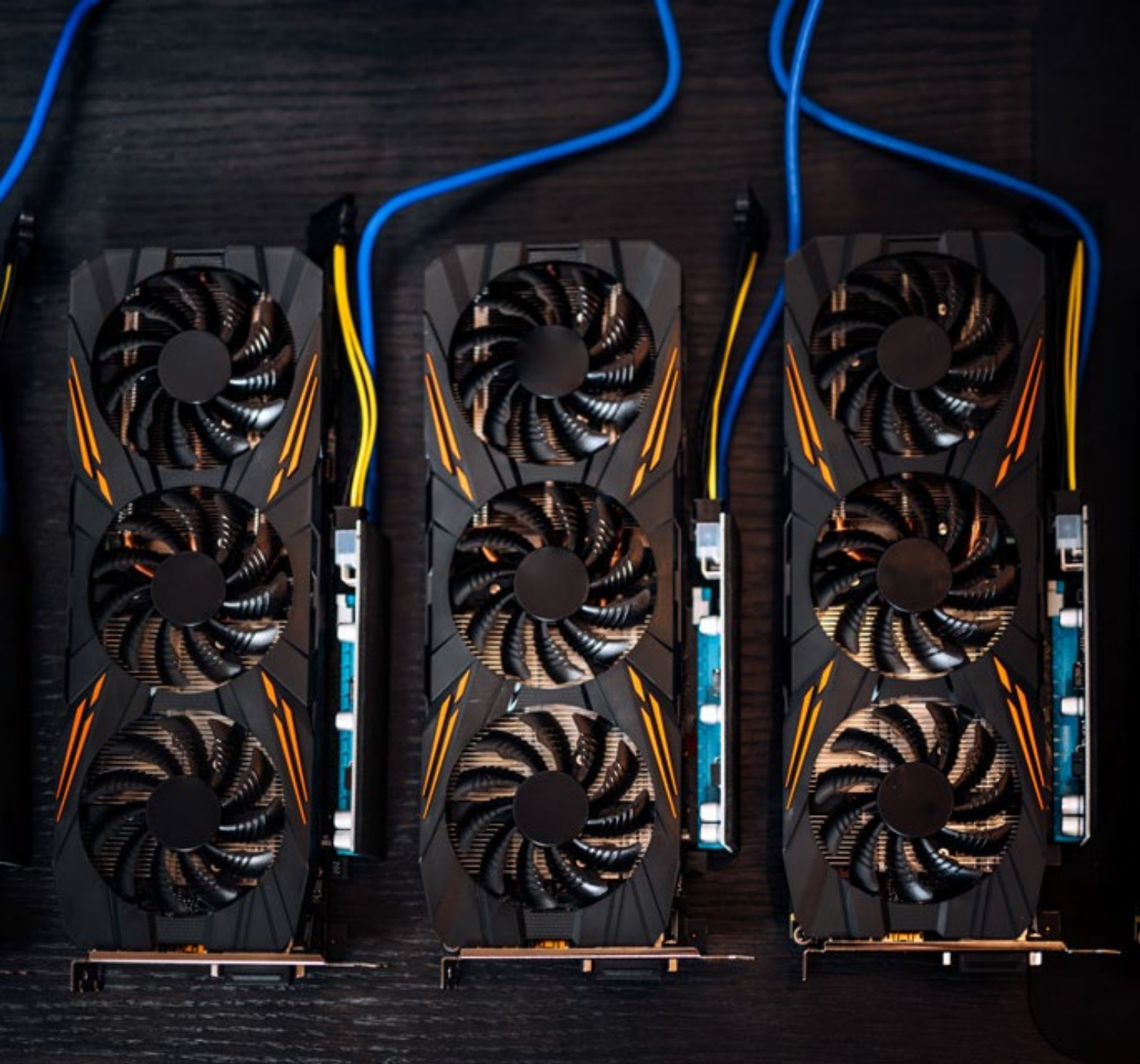
- Revised standards incorporate lessons learned, enhancing clarity on intended outcomes, ensuring consistency in interpretation and avoid unintended consequences that were identified through the IAIS assessment activities
- Additionally, aligning our standards further **with FSB Key Attributes**
- As of 2025: We will **update related supporting materials** to reflect the revised ICPs and ComFrame.



Conduct and culture

Across the **Market Conduct Working Group (MCWG)** and **Governance Working Group (GWG)** we are exploring topics such as:

- How remuneration policy and practice can drive good outcomes for insurance companies and customers
- More forward-looking and outcomes-based approaches to conduct supervision, particularly through the use of data as conduct indicators
- Continued engagement with consumer groups throughout the year



Operational resilience

Operational Resilience Task Force (2022/23)

- Published an [Issues Paper on insurance sector operational resilience](#).
- Issues Paper assesses factors impacting insurance sector operational resilience and sets out examples of how supervisors are approaching these issues

Operational Resilience Working Group (2023/2024)

- Consulted on an Application Paper on Operational Resilience Objectives for the Insurance Sector (Q3 2024)
- Developing a supporting toolkit setting out practices observed by supervisors relevant to achieving the objectives (1H2025)



Accounting and auditing

- The AAWG continues to survey its members on status of IFRS 17 implementation in their jurisdictions using results of the survey to share best practices amongst its members as well as engage audit firms to understand challenges of IFRS 17 implementation across the world
- Submitted comment letters to the IASB and ISSB on various topics that impact Insurers
- Provided technical support to IAIS sub-committees as required