



Address to the International Actuarial Association (IAA) Council by Felix Hufeld

Chair of the International Association of Insurance Supervisors (IAIS) Executive Committee

Zürich – Saturday 11 April



IAIS most challenging goals

- development of the common framework for internationally active insurance groups (ComFrame)
- includes the global insurance capital standard (ICS)
- the ultimate goal of a single ICS will include a common methodology by which one ICS achieves comparable, i.e. substantially the same, outcomes across jurisdictions

Ongoing ICS work

- lead to improved convergence over time on the key elements of the ICS towards the ultimate goal
- key elements include valuation, capital resources and capital requirements
- first ICS version – 2016
- second ICS version – 2018
- ultimate ICS – timing yet to be decided

IAA input to ICS & ComFrame

- IAA is very well placed to assist in the conceptual analysis and deep thinking that is required to achieve meaningful convergence and comparable outcomes over time
- we encourage the IAA to take up this challenge and to participate in the debates on key issues both this year and in the years ahead
- additional technical input from the IAA on many questions with actuarial relevance would be helpful
- ComFrame: “effective group-wide actuarial function”

Actuarial Standards - ISAP 7

- “Current estimates” etc in relation to the IAIS capital standards (ie best estimates)
- IAIS requested support for global insurance capital standards
- congratulations to Council on approving the Statement of Intent
- “the most effective means to facilitate convergence in actuarial practice within and across jurisdictions (as per IAA Strategic objective 3)”

IAA input to other IAIS activities

- review of all Insurance Core Principles (ICPs), including those with significant actuarial content on solvency and solvency related by 2017
- relationship between the actuary and the external auditor in 2015
- “Approaches to Actuarial Services in Inclusive Insurance Markets” - think about appropriate means of cooperation between IAIS and IAA
- Actuarial capacity building – bridging the gap

Thought leadership: insurance supervision

- “IAIS proactively identifies risks and developments ... that may affect the insurance sector, its business, insurance regulation and supervision as a basis for subsequently timely developing appropriate forward-looking policy responses.”
- informal networks of academics, experts and those interested in their research on insurance

IAIS Stakeholder engagement

- broaden the IAIS access to views from the stakeholder community
- preserving the ability of IAIS Members to discuss and consult among themselves in the development of IAIS material
- policy for consultation with stakeholders
- encourage input from a wider range of interested stakeholders
- IAIS recognises that the professional interaction with the IAA is important