



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Session 5:

Group-wide supervision

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CONTENT:

I. GROUP-WIDE SUPERVISION

- ICP 23
- COMFRAME

II. SUPERVISORY COOPERATION & INFORMATION EXCHANGE

- ICP3 & ICP25

I. GROUP-WIDE SUPERVISION

- ICP 23
- COMFRAME

ICP 23 Group-Wide supervision

ICP 23

The supervisor supervises insurers on a legal entity and group-wide basis.

ICP 23 Group-Wide supervision

Other ICPs linked with ICP 23

- Group Supervisory Cooperation and exchange of information (ICP3, 25)
- Group Risk Management and Capital Adequacy (ICP 8, 17)
- Group Governance (ICP7)

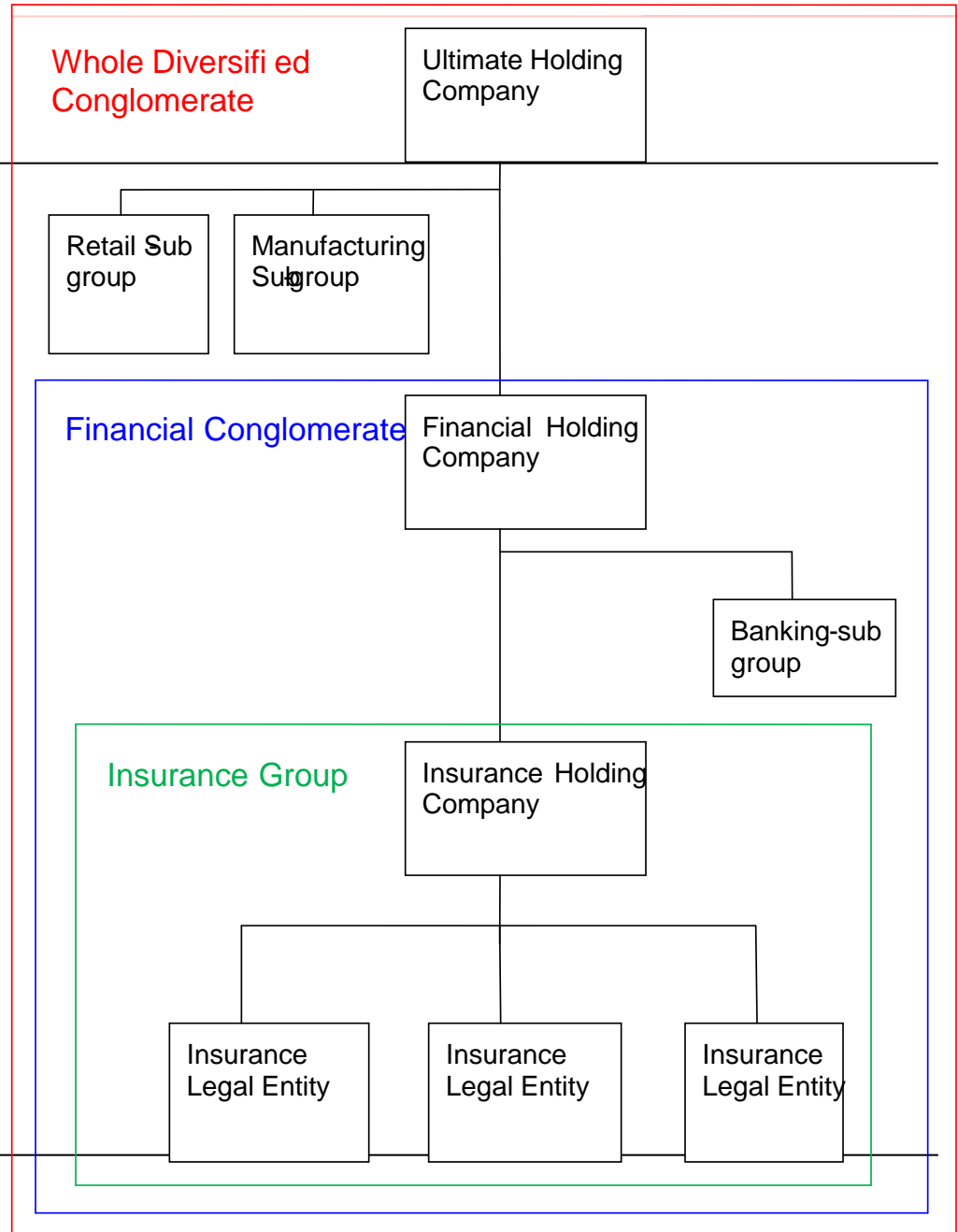
Recent development of ComFrame

Two areas of discussion

- Scope of the group
- Supervisory power over the holding company

Scope of the group

- Whole industrial Conglomerate
- Financial conglomerate
- Insurance group
- Legal entity



Supervisory power over holding company: Direct / indirect approaches

Direct

- Power to directly oversee the holding company

Indirect

- Actions are taken through licensed entities in the jurisdiction

Supervisory power over holding company : Recent decision

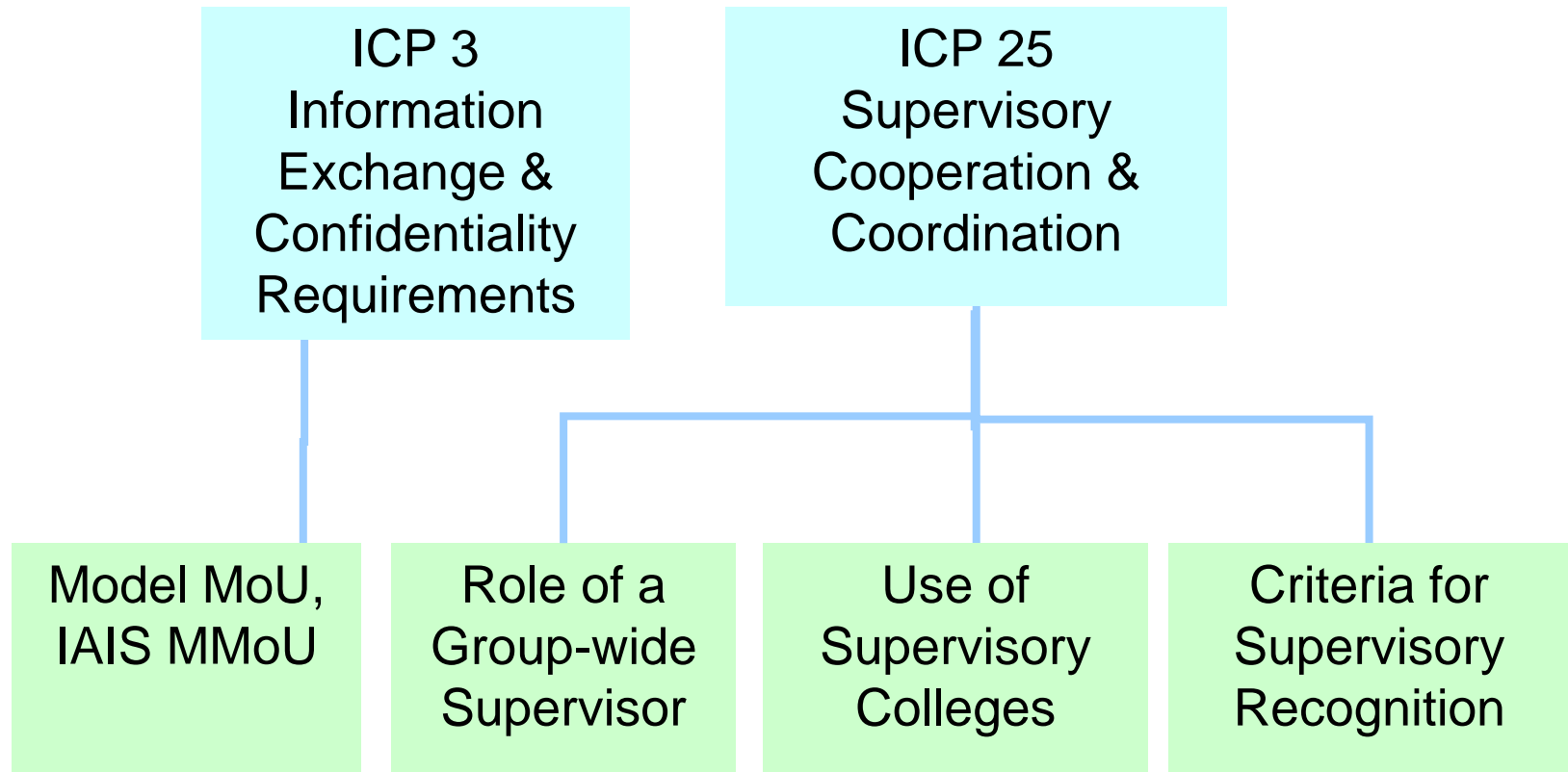
In February 2014, IAIS Executive Committee agreed that:

- Supervisors should be required to have direct powers over the financial holding company of the IAIGs.
- The IAIS should further consider the necessary powers over ultimate holding companies where these are not financial holding companies.

II. SUPERVISORY COOPERATION & INFORMATION EXCHANGE

- ICP 3 INFORMATION EXCHANGE
- ICP 25 SUPERVISORY COOPERATION AND COORDINATION

Structure of ICP 3 and 25



ICP 25 Supervisory Cooperation and Coordination

ICP 25

The supervisor cooperates and coordinates with other relevant supervisors and authorities subject to confidentiality requirements.

ICP 25.3 Identification of a group-wide supervisor

General principles

- ✓ Home jurisdiction where the group is based
- ✓ Supervisor of the head of the group

Other criteria

- ✓ Location of the group's head office
- ✓ If the head office is not the operational head of the group, the location where
 - the main business activities are undertaken
 - the main business decisions are taken
 - the main risks are underwritten and/or
 - the group has its largest balance sheet total

ICP25.4 Responsibilities of a group-wide supervisor

- Facilitate communication between, involved supervisors.
- Understand the structure and operations of the group,
- Produce overall assessment of risk and solvency of the group.
- Take responsibility for establishing supervisory college of the group.

ICP 3 Information Exchange and Confidentiality Requirements

ICP 3

The supervisor exchanges information with other relevant supervisors and authorities subject to confidentiality, purpose and use requirements

ICP 3 on exchange of Information

- Legal authority for information exchange
- Proactive exchange of information
- Legitimate purposes
- Subject to confidentiality requirements – wrongful disclosures subject to penalties

FINAL REMARKS

Final remarks: Group-wide supervision

New supervisory frontier

Intensive work as highest priority for IAIS

Multi-faceted supervisory challenges

Thank you for your attention



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