

# Do all roads lead to RBS?

Preliminary insights from the work of the RBSIF

ASSAL Regional Training Seminar  
San Salvador, 5 September 2023

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# ASSAL Regional Training Seminar – 5 Sep



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# 1. Background

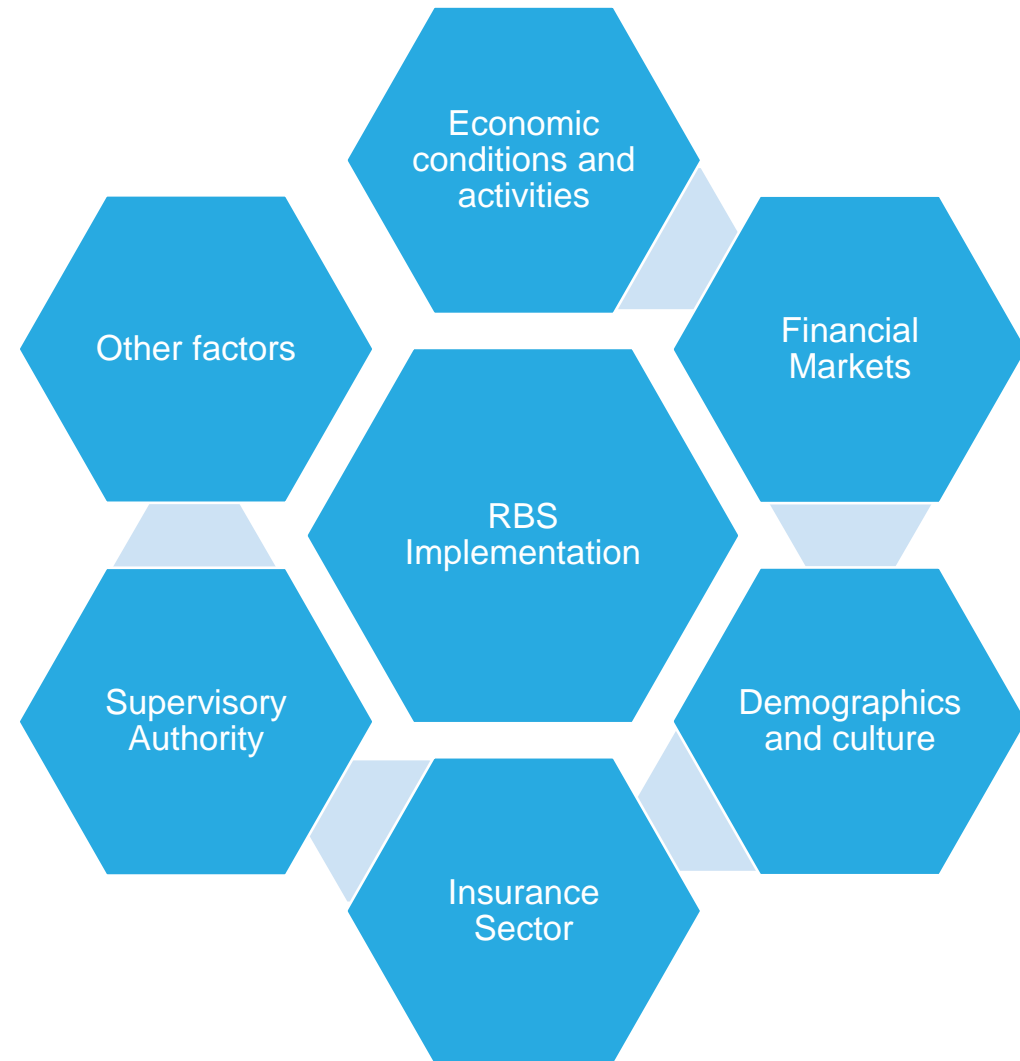
**Risk based solvency (RBS)** is a ‘comprehensive, formally structured regime, both **quantitative** and **qualitative**, that ensures insurers maintain a capital adequacy level commensurate with their risk profiles to guarantee that they have enough financial resources to withstand financial difficulties, supported by a sound **corporate governance framework**, in particular an **enterprise risk-management system**.

<b>Drivers for implementing RBS</b>	Alignment with ICPs
	Stronger risk management culture in insurers
	Support capital efficacy and market development
	Closer integration of macro and micro prudential supervision
	Tap into international markets

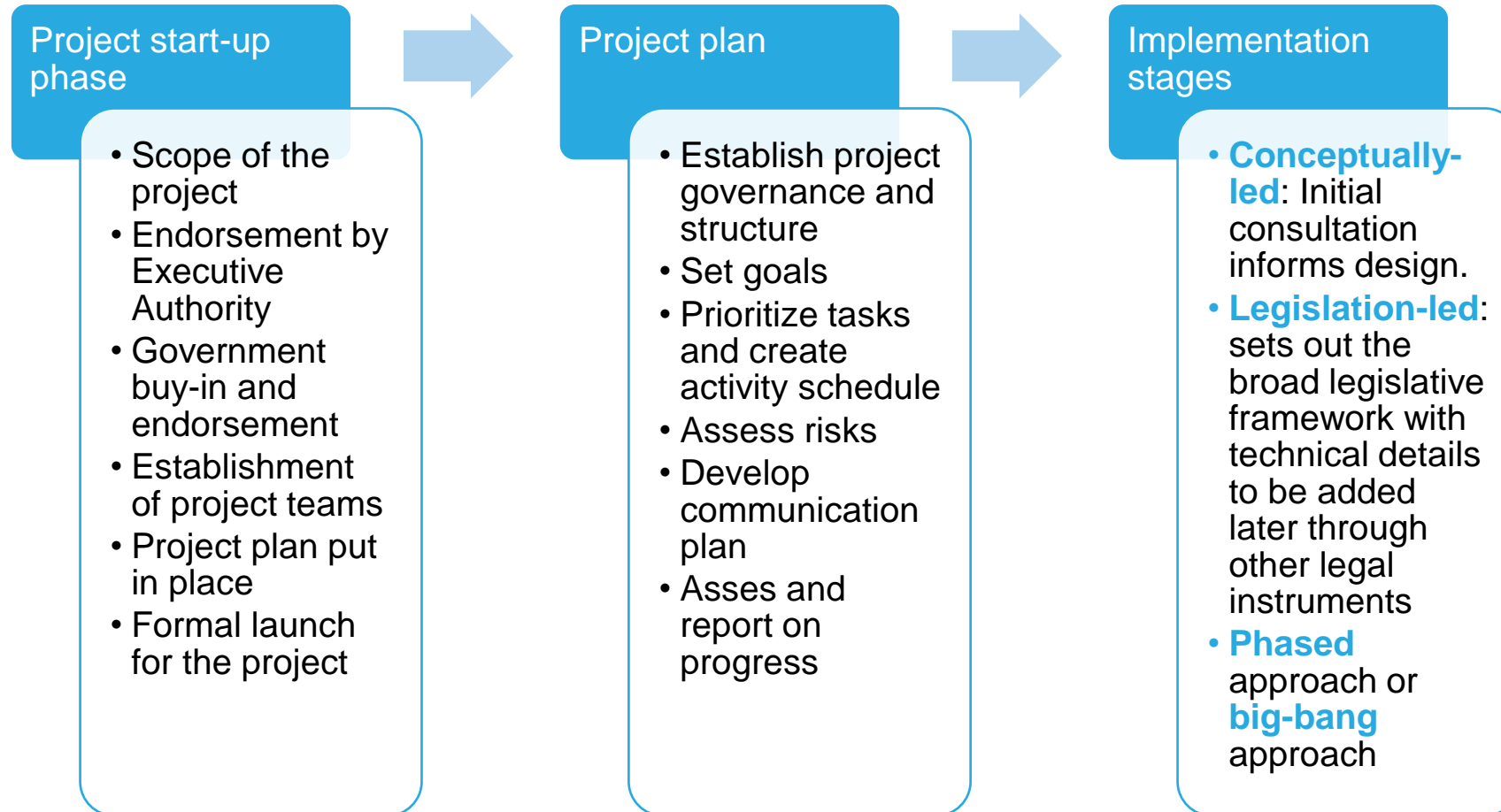
<b>Implementation costs</b>	Adequate supervisory resourcing
	Software and IT infrastructure
	Insurers may need to recruit additional resources
	Organisational structure of supervisors and insurers
	Training and capacity building

## 2. General considerations for implementing RBS

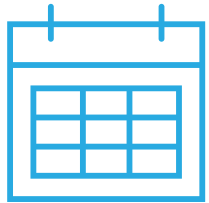
- Regulatory initiatives should be taken in consideration of the **environmental factors** of each jurisdiction and tailored to the specific **market circumstances**.
- Consideration of each of these factors should inform the steps that need to be taken in an RBS project, the type of RBS Regime to be chosen and implementation approach.



# 3. Practical aspects of implementing RBS



## 4. Next steps



- RBSIF will hold a virtual meeting on 20 October on Capacity Building.
- The Drafting group aims to have a final draft in place by end of 2023
- The Member-only guidance will be presented to the IAC for approval in Q1/Q2 2024.

- Members interested in joining the RBSIF, please contact the IAIS Secretariat ([carlos.lopezmoreira@bis.org](mailto:carlos.lopezmoreira@bis.org)) for further details.





**Any questions?**