

To: Solvency II WG, International Affairs & Reinsurance WG
From: Prudential Team
cc:
Date: 18-12-2023
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Subject: IRRD - Summary of FSB's 2023 Resolution Report

Background

On 15 December, the Financial Stability Board (FSB) published its 2023 Resolution Report ([here](#)). The report sets out the FSB's 2024 priorities in the area of resolution and summarises FSB's members' progress in implementing and enhancing resolution regulation in the banking, financial market, and insurance sectors.

Summary

In the insurance sector, the FSB report highlights that:

- Due to the decision to discontinue the identification of global systemically important insurers (G-SIIs), in 2023, the FSB member authorities started to report the insurers subject to resolution planning and resolvability assessment. The FSB will publish insurers subject to these plans and assessments next year because not all members reported this information during this exercise.
- The results show mixed progress in implementing and enhancing resolution regulation among members. Some members still lack resolution powers and tools. On the other hand, significant progress is expected in Australia, the European Union (IRRD), South Africa and Switzerland.
- The report considers that the FSB key attributes should apply, at a minimum, to all insurers systemically significant or critical upon failure.

In addition, the report details the FSB Resolution Steering Group's (global forum for the development of standards and guidance for resolution regimes and recovery and resolution planning implementation) work on the critical functions of insurers. The FSB published a paper on identifying critical functions in four different jurisdictions which shows the different approaches followed in each country ([ECO-SLV-23-235](#)).

Finally, the report discusses the practical challenges faced while resolving different types of undertakings.

The FSB priorities in the area of insurance resolution contain the following key actions:

- Identification of insurers subject to resolution planning standards of the Key Attribute.
- Practices to determine the insurers subject to resolution planning standards of the Key Attributes part of the 2024 Resolution Report.
- Resolution tools for different structures of insurance groups.
- Resolvability Monitoring.

FSB will publish all of them as part of the 2024 resolution report.