Memo for information

To: International Affairs & Reinsurance WG
From: The International team
cc:
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Subject: IAIS Holistic Framework implementation assessment results published

Summary

On 31 March 2026, the International Association of Insurance Supervisors (IAIS) published the results of its multi-year implementation assessment cycle of the Holistic Framework for systemic risk in the insurance sector. This included:

- The 2025 Targeted Jurisdictional Assessment (TJA), which evaluated six jurisdictions supervising ten Internationally Active Insurance Groups (IAIGs).
- An update on progress made by the ten jurisdictions in scope of the original 2022 TJA in addressing the implementation gaps flagged.

2025 TJA results

The 2025 TJA covered Australia, Bermuda, Italy, Singapore, South Africa and Spain. The IAIS concluded that there was generally strong implementation of the Holistic Framework's standards across these jurisdictions, noting:

- Four of the jurisdictions (Australia, Bermuda, Italy and Singapore) had a rating of either Observed or Largely Observed (the top two ratings possible) for at least 70% of the Holistic Framework standards.
- Italy and Singapore were noted as particularly advanced in implementation, with 70% of the standards rated as Observed.
- However, some gaps remain in specific areas, such as implementing recovery and resolution frameworks. In particular, no countries were rated as Observed in relation to the range of resolution powers enacted. The IAIS noted that the upcoming Insurance Resolution and Recovery Directive (IRRD) is expected to address these gaps for European jurisdictions.
- The key findings by area were:
    - **IAIG determination and macroprudential supervision**: Jurisdictions demonstrated robust processes for identifying IAIGs and collecting macroprudential data. However, some gaps remain in group-level analysis and the integration of macroprudential insights into supervisory actions.
    - **Liquidity risk management and disclosure**: Foundational frameworks are in place across jurisdictions, but divergences in some aspects of supervisory practices persist. Challenges include a lack of enforceable requirements for stress testing, contingency funding plans, and liquidity risk reporting.
    - **Crisis management, recovery planning, and resolution frameworks**: Recovery planning frameworks are well-developed, but gaps remain in resolution powers and management information systems (MIS), limiting crisis preparedness. Efforts are underway to establish crisis management groups for all IAIGs.

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2022 TJA progress monitoring

The 2022 TJA covered Canada, China, Hong Kong, France, Germany, Japan, the Netherlands, Switzerland, the UK and the US, including state regulators of Connecticut, New Jersey and New York. This concluded that notable progress had been made in addressing the issues identified in the 2022 exercise: however, gaps remain in resolution powers, resolution planning, and liquidity risk disclosures.

The key findings by area were:

- **Resolution powers:** Some jurisdictions implemented new tools to enhance their ability to resolve insurers effectively, while others are progressing in aligning with international directives or developing new resolution regimes. Nevertheless, a few jurisdictions have gaps in the availability and implementation of resolution powers.
- **Resolution planning:** Several jurisdictions took steps to improve their regulatory requirements and supervisory processes related to resolution planning and determining the scope of insurers subject to resolution plans. Some gaps remain in the development of MIS to support resolution planning and actions.
- **Recovery planning:** Considerable progress has been made across jurisdictions, including the introduction of new frameworks and the enhancement of supervisory guidance and practices.
- **Crisis management and Crisis Management Groups (CMGs):** CMGs for Internationally Active Insurance Groups (IAIGs) are in place and fully operational in most jurisdictions. In the remaining jurisdictions, significant progress has been made towards establishing cross-border crisis coordination and communication mechanisms.
- **Liquidity risk management and disclosure:** Although steps have been taken to improve the supervisory assessments of liquidity risk disclosures, there are gaps with respect to evidencing a supervisory review process to assess whether market participants can make a meaningful assessment of an insurer's material liquidity risk exposures.
- **Macroprudential supervision:** Further progress has been made to improve and enhance existing processes for macroprudential supervision and assessments of potential systemic risk, including on the assessment of the potential systemic importance of individual insurers. Jurisdictions also broadly made progress in refining processes for collecting and analysing data.

Jurisdictions are actively undertaking initiatives to address the gaps identified including collaboration across regulatory and supervisory authorities to explore solutions to advance insurance resolution frameworks, advancing recovery planning through regular reviews and expanded requirements for insurers, and refining recovery and resolution frameworks. Work is also underway to finalise regulatory directives and revise supervisory tools aimed at enhancing macroprudential and liquidity risk oversight.