



Laws and Regulations Announcement

Amendments Proposed to Regulations on Supervision of Insurance Business

Agency:	Financial Services Commission
Proposed amendment:	Regulations on Supervision of Insurance Business
FSC Notice number:	2017-222
Announcement date:	August 10, 2017
Summary:	<p>The Financial Services Commission proposed amendments to the Regulations on Supervision of Insurance Business in preparation for the implementation of IFRS17 in 2021. The proposed amendments seek to improve Liability Adequacy Test (LAT) and phase in higher policy reserves standards beginning at the end of 2017.</p>
Key provisions:	<ul style="list-style-type: none">• The proposed amendments specify reserves to be subject to LAT and methods to be used to evaluate the adequacy of policy reserves. The proposed amendment also provides for agreement between the FSS and insurers whose solvency ratio is less than 100% to achieve prudential soundness with additional policy reserves.• Insurance companies setting aside additional policy reserves under the enhanced LAT are to be permitted to partially calculate the reserves as capital resource in the solvency ratio calculation.
Public comment for the proposed amendments:	The public comment period for the proposed rule changes ends on September 20, 2017.
