




A Global Framework for Solvency Assessment

WRIEC
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IAA Insurer Solvency Assessment Working Party

- Report Issued May 2004
- Principles
 - Multi-pillar approach
 - All risks considered
 - Principles based
 - Total balance sheet approach
 - Standardized and advanced approaches



Internal models and supervision

“Under an objectives-oriented regime, what is to prevent those that do not have a good story to tell from fabricating a good story?”



Possible solutions (NAIC)

- Independent peer review
- Governance
- Integration with management practices
- Documentation
- Validation
- Regulatory discretion
- Regulatory exam procedures
- Guidance
- Centralized expertise