



Since 2014, the IAIS has embarked on a multiyear development of the ICS, and has conducted quantitative field testing exercises each year from 2014 to 2018 to develop and refine the ICS. Within this time period, the IAIS has also reached out to the broader group of stakeholders through dedicated stakeholder meetings and by engaging in two public consultations on ICS matters. The ICS has now entered its final year of development before entering a 5-year monitoring period with the scheduled launch of the 2019 ICS field testing exercise at end April 2019, and the IAIS is on track to finalise ICS Version 2.0 for the monitoring period by the end of this year.

During the 5 year monitoring period ICS Version 2.0 will not be used as a prescribed capital requirement (PCR), but for confidential reporting to the group-wide supervisor and discussions in supervisory colleges. The monitoring period is intended to be a period of relative stability for the ICS. However, this does not preclude possible clarifications/refinements and correction of major flaws or unintended consequences identified during this period to improve the ICS. At the end of the monitoring period, the ICS will be implemented as a group wide prescribed capital requirement by supervisors represented in the IAIS taking into account specific market circumstances in their respective jurisdictions.

The forum will provide details on the development of the ICS, and its various components which includes a **reference method** made up of the market-adjusted valuation with a single discounting approach, a standard method for capital requirements, and a converged criteria for qualifying capital resources and **additional reporting** consisting of a GAAP Plus valuation approach and other methods for the calculation of capital requirements (e.g. internal models). In addition, the forum will also provide information relating to expectations for the ICS during the monitoring period.