



Q&A

TOSHIYUKI MIYOSHI

Vice Minister for International Affairs Financial Services Agency, Japan & Co-Chair, IAIS

Supervisory cooperation in a fragmented world: The IAIS work agenda

Against a backdrop of increasing geopolitical fragmentation, do you see risks of growing regulatory divergence in the insurance sector? What implications could this have for cross-border insurance groups and for financial stability more broadly?

The mission of the IAIS is to promote effective and globally consistent insurance supervision to support fair, safe and stable insurance markets for the benefit and protection of policyholders; and to contribute to global financial stability. Over the past decade, we have built a global framework for cross-border supervisory convergence and collaboration: the Insurance Core Principles (ICPs), the Common Framework for the Supervision of internationally active insurance groups (ComFrame), including the Insurance Capital Standard (ICS), adopted in December 2024 as the quantitative element of ComFrame, and the Holistic Framework (HF) for assessing and mitigating systemic risk.

There is a strong commitment to implement these standards by our members, fostering global convergence in supervisory outcomes, comparability in capital and risk assessments, and effective coordination during times of market stress. A central focus is supporting members—particularly in emerging market and developing economy (EMDE) jurisdictions—through peer exchange, capacity building, and the development of resources to help them navigate the growth and evolution of their insurance markets.

Even amid geopolitical fragmentation, collaboration among IAIS members remains strong. Our diversity and ability to unite differing perspectives in a global dialogue enable us to forge common solutions to complex challenges, as demonstrated by the adoption of the ICS. This reflects the strong social capital we have built and our shared commitment to addressing the pressing issues facing the insurance sector.

One example is the IAIS' efforts to support members in addressing natural catastrophe (NatCat) protection gaps, as

highlighted in our joint paper developed with the World Bank presented at the G20 under the South African Presidency last year. The paper sets out foundational steps for effective insurance based approaches and practical supervisory actions, with a focus on EMDE jurisdictions.

The IAIS also provides a forum for supervisors to provide a coordinated supervisory response to common risk drivers – such as climate-related exposures, cyber risks, or structural shifts in the life insurance sector through our Global Monitoring Exercise (GME). The GME provides a strong empirical foundation for the coordination of supervisory actions. The IAIS' 2025 GME analysis, summarised in our Global Insurance Market Report (GIMAR), finds that the outlook for the insurance sector remains stable, despite an uncertain macroeconomic and geopolitical landscape.

In short, we recognise the risk of divergence and will continue to monitor and assess ongoing developments, but the sector's resilience and the strong global supervisory toolkit and coordination help mitigate those risks.

What are the IAIS's main priorities to ensure continued international coordination and supervisory convergence, notably through ICPs, ComFrame or the Holistic Framework, in a more challenging geopolitical environment?

Our 2026–2027 Roadmap prioritises effective implementation of global standards, deeper risk monitoring through the GME and continued strengthening of supervisory practices. With the ICPs, ComFrame and the Holistic Framework now stable, the focus is on comprehensive and consistent implementation across jurisdictions.

Following the adoption of the ICS in 2024, we have moved into the implementation phase. In 2026, we will coordinate a

Baseline Self Assessment by IAIS members of their progress in implementing the ICS. The self-assessments will set the stage for more intensive, targeted assessments by the IAIS, which we aim to start in 2027.

We will also launch a baseline self assessment of the qualitative ComFrame standards this year—covering governance, risk management, supervisory reporting and group-wide supervision—with the aim of ensuring implementation of the quantitative and qualitative elements of supervision of IAIGs advance in parallel.

We have also undertaken implementation assessments of the Holistic Framework supervisory material. This points to broad progress across major insurance markets in aligning and strengthening macroprudential supervision, helping to bolster the resilience of the sector, while at the same time identifying some areas in which jurisdictions can further strengthen supervisory practices, such as recovery and resolution. We will continue to monitor progress in our members' efforts to address remaining gaps.

Lastly, we are deepening supervisory capacity building and implementation support, including strengthening the supervisory response to climate-related risks, adapting to increasing digital innovation and cyber risks, and supporting societal resilience by addressing protection gaps. In collaboration with implementation partners such as Azii, FSI, and the World Bank, we facilitate capacity building through targeted training and peer exchange initiatives – particularly for supervisors from EMDE jurisdictions.

Looking ahead, how are the IAIS and its members working to enhance cross-border supervisory cooperation in areas such as supervisory colleges, data sharing, and resolution planning?

Three areas of cross-border supervisory cooperation stand out.

First, data sharing and analytics. The IAIS has a well-established framework for analysing and responding to risks and trends in the global insurance sector through our GME. We have a continuous process to evaluate and enhance our GME risk assessment toolkit.

The GME supports enhanced supervisory dialogue by way of the annual GME collective discussion - a platform for the IAIS to form a collective view on the assessment of systemic risk in the global insurance sector and coordinate the appropriate supervisory responses. This forward-looking approach has led to the early detection of several sector-wide themes that have been the focus of supervisory discussions at the international level, including climate, AI, geoeconomic fragmentation and structural shifts in the life insurance sector. Key outcomes are reported to the public and to the FSB, ensuring further cross-sectoral coordination.

A concrete example is the monitoring and assessment of structural shifts in the life insurance sector, which the IAIS has reported on via the GIMAR since 2021. We published our Issues Paper on these structural shifts in November 2025. It highlights supervisory concerns regarding increasing investment in alternative assets and growing asset-intensive reinsurance transactions. Building on the Issues Paper, the IAIS plans to enhance data collection through the GME and explore an in-depth systemic risk analysis of the impact of insurers' increased investment allocations to alternative assets (particularly, private credit) and the growth of asset-intensive reinsurance (AIR).

Second, to support effective cross-border supervision of IAIGs, there is a need for effective cooperation and information exchange amongst home and host supervisors. The IAIS supports efficient information exchange among supervisors through the IAIS Multilateral Memorandum of Understanding (MMoU). Since the first signatories in 2009, the MMoU has grown to include 90 signatories, representing three-quarters of global gross written premiums.

Third, ComFrame provides a common language for supervisory colleges, strengthening supervisory cooperation and exchange of IAIGs. During the ICS monitoring period, we asked colleges to discuss and provide feedback on ICS performance, which in turn helped prepare colleges for effective ICS implementation. At the same time, the IAIS has continued its close collaboration with the FSB to strengthen the insurance sectors preparedness for crisis – through our standards on recovery and resolution. Following revisions to ICPs and ComFrame adopted in late 2024, aligning these with the FSB key attributes, we are now updating the associated supporting materials (application papers). This includes clear guidance on the criteria for determining which insurers should have recovery and resolution plans.

That is the essence of the IAIS mission: effective and globally consistent supervision that protects policyholders, enables resilient markets and contributes to financial stability.