

# Consultation on FINMA's implementing provisions for the ISA and the ISO: total revision of the FINMA Insurance Supervision Ordinance and revision of FINMA circulars

Key points

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1. The aim of the draft is to implement the requirements of the partially revised Insurance Supervision Act (ISA) and the partially revised Insurance Supervision Ordinance (ISO) at FINMA level in a principle-based and proportional manner.
2. FINMA was obliged or authorised to regulate under various delegations in both the ISA and the ISO. In doing so FINMA pursued the variants that best reflected the principle of proportionality. It also took into account, where pertinent, the repercussions for the future viability and international competitiveness of the Swiss financial centre. The regulations adopted have been designed in a competition- and technology-neutral way.
3. The total revision of the FINMA Insurance Supervision Ordinance (ISO-FINMA) and the revision of the FINMA circulars cover the following points, among others:
  - Comments on technical details of the **Swiss Solvency Test (SST)** in the ISO-FINMA as a consequence of anchoring the SST into the ISA and ISO without any significant change in content;
  - Reduction of the rules on **tied assets** in the ISO-FINMA to a minimum and dispensation with practical explanations as a consequence of the prudent person principle being newly incorporated into the ISA and ISO;
  - Implementation of the rules on **technical provisions** in the ISO-FINMA on the basis of the powers of delegation to FINMA from the ISA and ISO and based on the existing practice;
  - Implementation of the powers of delegation of the ISO to FINMA in the area of **sample calculations for life insurance**;
  - Implementation of the technical powers of delegation of the ISO to FINMA in the area of supervision of **insurance intermediaries**;
  - Clarification of the tasks of the **responsible actuary** and their reporting as well as the tasks of the **group actuary function** newly introduced at the ISO level and their reporting.
4. Like the partial revision of the ISA and the ISO, the amendments to the ISO-FINMA and the FINMA circulars are aimed at strengthening client protection and the associated implementation of the client protection-based supervisory approach, and take international developments into account.
5. As a result of the analysis of the format compliance of the practical requirements previously contained in FINMA circulars, various topics are now dealt with in the ISO-FINMA. As a consequence, some circulars will be revised or repealed.