

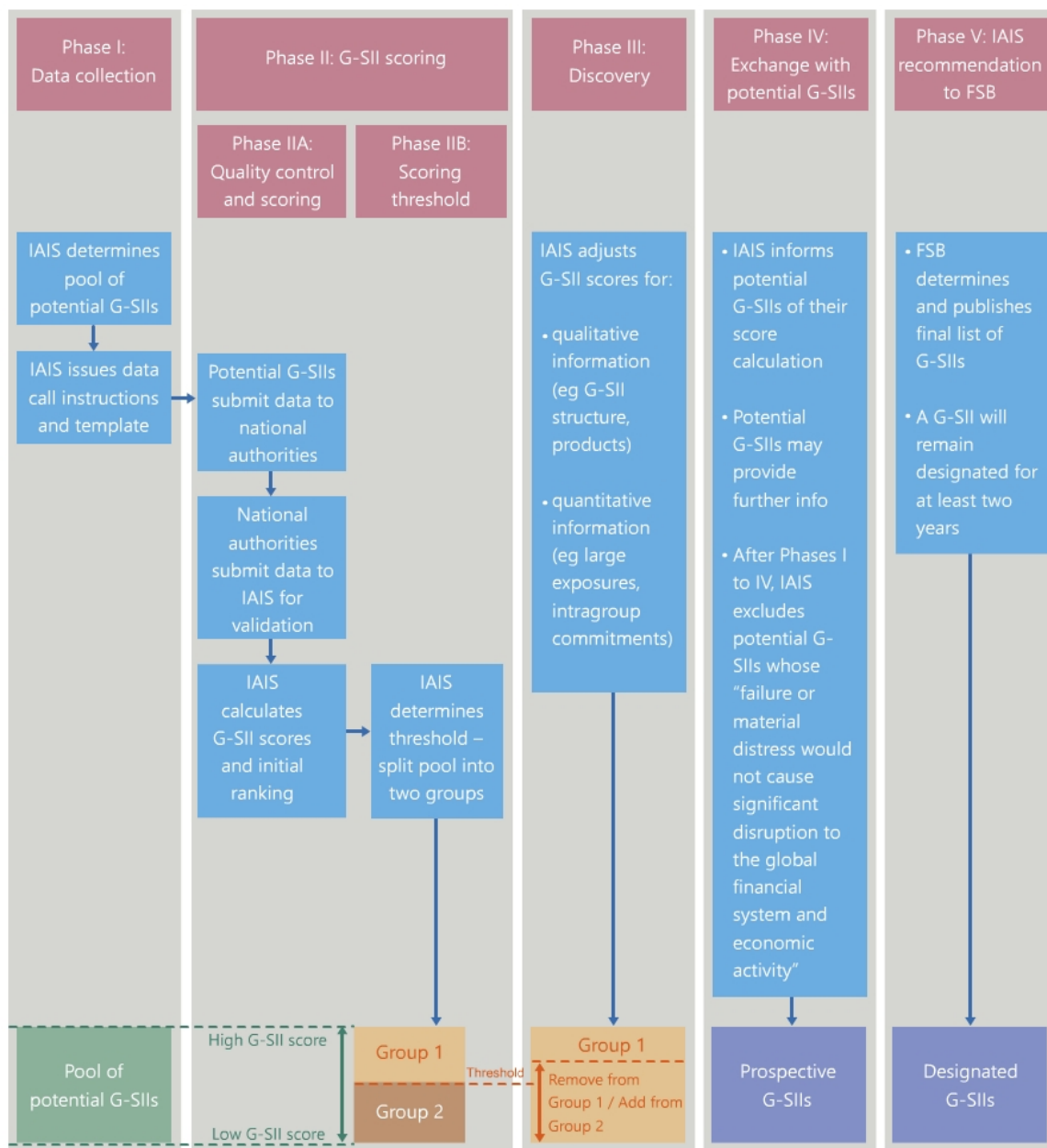
G-SIIs: assessment methodology – Executive Summary

Background

The International Association of Insurance Supervisors (IAIS) released the initial assessment methodology to identify global systemically important insurers (G-SIIs) in 2013. As part of its three-year review cycle, the IAIS published an updated methodology in June 2016. This Executive Summary covers the key aspects of the updated methodology.

Five-phase approach

The IAIS G-SII methodology is a five-phase approach as described in the following diagram:



Phase II indicator calculation

In Phase II, the G-SII score is calculated as follows:

$$\sum_{\text{All indicators}} \text{Indicator value} \times \text{weight} \times \text{absolute reference value (if relevant)}$$

Category	Subcategory	Indicator	Indicator weighting
1. Asset liquidation		1. Non-policyholder liabilities and non-insurance revenues	7.5%
		2. Short-term funding	7.5%
		3. Liability liquidity	7.5%
		4. Level 3 assets	6.7%
		5. Turnover	6.7%
2. Interconnectedness	Counterparty exposure	6. Intra-financial assets	6.7%
		7. Intra-financial liabilities	6.7%
		8. Reinsurance	6.7%*
		9. Derivatives	6.7%
	Macroeconomic exposure	10. Derivatives trading (CDS or similar instruments sold)	7.5%*
		11. Financial guarantees	7.5%*
12. Minimum guarantees on variable products		7.5%	
3. Global activity		13. Foreign revenues	2.5%
		14. Foreign operations	2.5%
4. Size		15. Total assets	2.5%
		16. Total revenues	2.5%
5. Substitutability		17. Premiums	5%
Total			100%

* Subject to "absolute reference values", which are essentially additional scaling factors.

List of G-SIIs

The Financial Stability Board publishes the list of G-SIIs annually in November. Select [here](#) to see the G-SIIs designated in 2015.

This Executive Summary and related tutorials are also available in [FSI Connect](#), the online learning tool of the Bank for International Settlements