

Criteria | Insurance | General:

Advance Notice Of Proposed Criteria Change: Methodology And Assumptions For Analyzing Insurer Capital Adequacy

October 6, 2021

S&P Global Ratings is reviewing the criteria it uses to analyze the capital adequacy of insurance entities across all sectors worldwide, as laid out in "Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model," published June 7, 2010.

We update our criteria periodically to account for evolving market and industry conditions and to ensure the ongoing comparability and relevance of our ratings.

Our review will look at various aspects of our risk-based capital model, including (but not limited to) the calibration of asset and liability risk charges, the components of total adjusted capital, and the approach to diversification. Based on our review, we will consider refining our methodology and assumptions and will seek to consolidate several related criteria articles. We will also consider potential implications for related methodologies (for example, "Insurers Rating Methodology").

Following this advance notice, we expect to publish a request for comment (RFC) outlining our proposed criteria changes. We will then consider market feedback before publishing our updated criteria. Until the RFC is issued, we will not be able to speak to or provide further specifics about any potential changes being considered. We will accept comments on the proposed criteria only when the RFC is issued. Any rating actions will depend on the final criteria issued.

Related Publications

Related Criteria

- Insurers Rating Methodology, July 1, 2019
- Methodology And Assumptions For Analyzing Bond Insurance Capital Adequacy, July 1, 2019
- Methodology: Treatment Of U.S. Life Insurance Reserves And Reserve Financing Transactions, March 12, 2015
- Methodology: Mortgage Insurer Capital Adequacy, March 2, 2015

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- Methodology For Assessing Capital Charges For U.S. RMBS And CMBS Securities Held By Insurance Companies, Aug. 29, 2014
- Trade Credit Insurance Capital Requirements Under S&P Global Ratings' Capital Adequacy Model, Dec. 6, 2013
- Assessing Property/Casualty Insurers' Loss Reserves, Nov. 26, 2013
- Methodology: Capital Charges For Regulatory Closed Blocks Under S&P Global Ratings' Capital Model Framework, Oct. 31, 2013
- Methodology For Assessing Capital Charges For Commercial Mortgage Loans Held By U.S. Insurance Companies, May 31, 2012
- Methodology For Calculating The Convexity Risk In U.S. Insurance Risk-Based Capital Model, April 27, 2011
- A New Level Of Enterprise Risk Management Analysis: Methodology For Assessing Insurers' Economic Capital Models, Jan. 24, 2011
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010

Related Guidance

- Guidance: Insurers Rating Methodology, July 1, 2019
- Guidance: Methodology And Assumptions For Analyzing Bond Insurance Capital Adequacy, July 1, 2019
- Guidance: Methodology For Calculating The Convexity Risk In U.S. Insurance Risk-Based Capital Model, March 2, 2018

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