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**IAIS adopts captive paper, cell company section expanded**

The International Association of Insurance Supervisors (IAIS) has approved the Application Paper on the Regulation and Supervision of Captive Insurers at its 2015 annual general meeting in Morocco.

[*Captive Review reported*](http://captivereview.com/news/iais-presents-captive-guidance-paper-for-consultation/) in July the IAIS had published the first draft of its application paper and the subsequent [consultation period](http://captivereview.com/news/mixed-response-to-iais-captive-paper/) produced a mixed response from industry.

“This paper provides guidance to insurance supervisors on the application of aspects of regulation and supervision specifically relevant to captive insurers or reinsurers,” the IAIS states.

“It follows the IAIS Issues Paper on the Regulation and Supervision of Captive Insurance Companies released in October 2006 and provides practical advice for supervisors that follows the current range of ICPs.”

The final approved version of the paper has yet to be released, but it does contain significant sections on captive managers and cell company structures.

The captive manager section will address the issue of on-site inspections and how supervisors can use them to assess the procedures managers use for their book of business.

Substantial changes have been made to the section on cell company structures.  While it discusses protected cell companies (PCCs) at length, it also makes further reference to other cell arrangements including incorporated cell companies (ICCs), portfolio insurance companies (PICs), segregated accounts companies (SACs), segregated portfolio companies (SPCs) and series captive insurance companies.

*Captive Review* understands the final version of the paper will be published on the IAIS website next week.