



Financial Services Commission
Mauritius

COMMUNIQUÉ

FSC Mauritius issues the Insurance (Risk Management) Rules 2016

Pursuant to its powers under section 130 of the Insurance Act 2005, the Financial Services Commission ('FSC') has issued the [Insurance \(Risk Management\) Rules 2016](#) (the 'Rules').

In line with the FSC's vision "*to be an internationally recognized Financial Supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre*", the Rules will set a new culture for our licensed insurers in terms of Risk Management.

The Rules are applicable to all insurers as defined under the Insurance Act and all insurers will be required to maintain, at all times, a Risk Management Framework ('RMF') to enable them to develop and implement strategies, policies, procedures and controls to manage material risks.

The Rules aim to enhance the observance of the International Association of Insurance Supervisors' ('IAIS') core principle 16 ('ICP 16'): 'Enterprise Risk Management for Solvency Purposes'.

In addition to observing compliance with ICP 16, the objectives of the Rules are to:

- (a) deliver a better managed insurance sector with a focus on risk by encouraging sounder risk management and risk assessment in the insurance sector. As a consequence, insurers would be able to seek more economically aligned strategies and pricing on both their liability and asset sides of their balance sheets, making the insurance sector more efficient, and at the same time, more viable and financially sound;
- (b) empower the FSC to be better placed to oversee the risk assessment and supervision of the sector and have improved scope for intervention in a measured and credible way;
- (c) enhance the reputation and potential for Mauritius to develop its financial services sector in line with the Commission's vision and the government's objectives.

Insurers are required to have in place a Risk Management Function ('RMF'), pursuant to Rule 12 of the Rules, as from 01 January 2017. The RMF includes the appointment of a risk officer who shall be a person of sufficiently senior status, suitably qualified and experienced.

The other provisions of the Rules will be effective as from 01 July 2017.

Financial Services Commission, Mauritius
31 October 2016