



Annex B

What the revised proposals mean for stakeholders

For insurers	For policyholders
<ul style="list-style-type: none"> ▪ Discounting approach (e.g. Matching Adjustment and Illiquidity Premium) will help to <ul style="list-style-type: none"> - encourage better asset-liability management among insurers; and - minimise the impact of short-term market volatility. ▪ The RBC2 framework will create a more conducive environment for insurers to invest in equities and long-dated bonds, and offer long-term insurance products for policyholders. ▪ Insurers relying on regulatory capital as economic capital will have a more risk sensitive framework that better meets their needs. 	<ul style="list-style-type: none"> ▪ Protection for policyholders is enhanced with a more risk-sensitive framework. ▪ Policyholders can benefit from better product pricing and asset allocation decisions made by insurers. ▪ Insurers can better offer long-term retirement solutions to policyholders.