

PRESS RELEASE
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CONTACT: Melanie Clowes-Haug
+41 61 280 8442
IAIS-Press@bis.org

IAIS 28th AGM and Annual Conference reflect on key achievements in advancing IAIS Strategic Plan 2020-2024 and focus on evolving trends impacting the insurance sector

- ***Strong progress on implementation of several post-financial crisis reforms; timelines for the finalisation of the design of ICS and the comparability assessment of the Aggregation Method (AM) on track***
- ***Statements issued confirming commitment to helping accelerate supervisory responses to climate change and highlighting importance of DE&I considerations to insurance supervisory objectives***
- ***Distinguished international speakers and IAIS leadership deepen discussion on strategic themes for the insurance sector***

Basel, Switzerland - The International Association of Insurance Supervisors (IAIS) concluded yesterday its November committee meetings and the 28th Annual General Meeting and Annual Conference. Members and stakeholders reviewed progress on the IAIS work programme, shared important learnings about insurance supervision in the new normal and discussed key evolving trends affecting the sector.

“Over the past two weeks, we’ve furthered our work and engaged in deep discussions focussed on strategic themes vital to insurance supervision and to the insurance sector as a whole,” said Vicky Saporta, Chair of the IAIS Executive Committee (ExCo). “I’m proud of how we have progressed this work with continuity and intensity of focus, thanks to the excellent cooperation and collaboration across our membership and engagement with our many stakeholders.”

Opening this constructive series of meetings and events, the IAIS ExCo met virtually to discuss and approve key elements of the IAIS work programme and make important leadership appointments.

Good progress with the ICS and comparability assessment of the AM

The IAIS ExCo reaffirmed its commitment to delivering an Insurance Capital Standard (ICS) that is fit for implementation by supervisors by the end of 2024. The ICS monitoring period remains firmly on track, with strong engagement from participating insurers and supervisors. ExCo reconfirmed the existing timeline, while noting that it will continue to monitor the impact from Covid-19.

Progress also continues with assessing whether the Aggregation Method (AM), being developed by the United States and other interested jurisdictions, provides comparable outcomes to the ICS. In 2021, work on the draft comparability criteria began later than intended due to Covid-19 operational relief efforts. As a result, the IAIS ExCo agreed that the planned public consultation on the draft comparability criteria will now be launched in the first half of

2022. Overall, comparability assessment timelines remain on track, with the project concluding in 2024 as planned.

Holistic Framework achieves important milestones in 2021

The IAIS ExCo approved its first public report on the Global Monitoring Exercise (GME), which draws on data from approximately 60 of the largest international insurance groups and close to 40 insurance supervisors, covering more than 90% of global gross written premiums. The GME is the IAIS' risk assessment framework to monitor key risks and trends and detect the potential build-up of systemic risk in the global insurance sector. The full GME has been completed for the first time since being adopted as part of the Holistic Framework for the assessment and mitigation of systemic risk (Holistic Framework). Last year's GME was adapted to focus on assessing the impact of Covid-19 on the global insurance sector. The analysis outcomes will be published in the Global Insurance Market Report (GIMAR) later this month.

The IAIS ExCo has also approved the public consultation on the [Development of Liquidity Metrics - Phase 2](#), as part of its process of developing an ancillary indicator for the GME that will serve as a tool to facilitate the IAIS' monitoring of the global insurance industry's liquidity risk and for the IAIS to assess insurers' exposure to liquidity risk. Feedback is invited by 23 January 2022 and a virtual [public background session](#) will be held on 30 November.

The assessment of the comprehensive and consistent implementation of the Holistic Framework's supervisory material is also proceeding on schedule. A baseline assessment to determine the extent to which supervisors have already implemented the Holistic Framework supervisory material concluded earlier this year (see report [here](#)) and a more intensive targeted assessment of supervisory practices in 10 jurisdictions is underway.

IAIS commits to amplify response to climate change

In advance of COP26, the IAIS issued a [statement](#) setting out its commitment to urgently advance work to address the risks and opportunities associated with climate change. The IAIS' focus on climate change and a sustainable transition to net zero is grounded in its mission to help insurance supervisors develop effective supervisory practices to protect policyholders and contribute to the maintenance of global financial stability. The IAIS will also consider what insurance supervisors can do to support insurers in their role as stewards of an orderly transition that involves, for example, building climate resilience and closing the protection gap.

DE&I gains prominence in IAIS agenda

The IAIS also issued a [statement](#) recognising the importance of Diversity, Equity and Inclusion (DE&I) considerations to the objectives of insurance supervision and consequently to the IAIS' mission.

There is growing acknowledgement that advancing DE&I within insurers' organisations and business models supports sound prudential and consumer outcomes as well as sustainability objectives. DE&I also touches on several strategic themes identified in the IAIS [Strategic Plan 2020-2024](#), such as conduct and culture, but also financial inclusion, sustainable economic development and technological innovation.

During the IAIS Town Hall, ExCo Chair, Vicky Saporta said: "This statement is a first step in the incredibly important journey of supporting our members and the industry in integrating the broad range of benefits to our mandate that a focus on DE&I can bring."

To guide IAIS activities in this area, the IAIS ExCo appointed Helen Rowell, Deputy Chair of the Australian Prudential Regulation Authority (APRA), as incoming DE&I Champion.

Supervisory guidance approved

To support our members with the practical implementation of the IAIS supervisory material, the IAIS' ExCo approved three papers for publication:

[Issues Paper on Insurer Culture](#)

This paper explores the role of insurer culture as a point of intersection for managing prudential and conduct risks. Understanding the various elements that make up an insurer's culture, and which inform decisions, behaviours and practices across an insurer's business, can be critical in helping supervisors identify and address prudential and conduct issues in a timely and effective manner. This could, in turn, potentially reduce the occurrence of widespread misconduct and possible financial and consumer harm. The paper also provides illustrations of selected cultural drivers using jurisdictional examples.

[Application Paper on Supervisory Colleges](#)

This paper describes the processes and practices related to the establishment and functioning of supervisory colleges for insurance groups with cross-border activities. In particular, the paper supports observance of Insurance Core Principle (ICP) 3 (Information Sharing and Confidentiality Requirements) and ICP 25 (Supervisory Cooperation and Coordination). The paper fosters an understanding of the work of supervisory colleges and explains the role and involvement of insurers in supervisory colleges.

The paper was revised from its original version published in 2014 to reflect revisions to ICPs 3 and 25 and the adoption of ComFrame, as well as to include practical experience with establishing and managing supervisory colleges.

[Application Paper on Combating Money Laundering and Terrorist Financing](#)

This paper provides guidance on money laundering and terrorist financing risks affecting the life insurance sector and proposes measures to mitigate the associated risks. The paper supports observance of ICP 22 (Anti-Money Laundering and Combating the Financing of Terrorism) and takes into account the FATF (Financial Action Task Force – the intergovernmental global money laundering and terrorist financing standard setter) Recommendations and their “Guidance for a Risk-Based Approach in the Life Insurance Sector”.

The paper was revised from its original version published in 2013 to reflect subsequent developments, including the adoption of a revised ICP 22 and various updates of the FATF Recommendations.

A public session discussing all three papers will be held on 6 December. Register [here](#).

Leadership appointments

The IAIS is pleased to announce the following appointments:

Shigeru Ariizumi, Vice Commissioner for International Affairs, Financial Services Agency, Government of Japan (JFSA), has been elected Vice Chair of the IAIS Executive Committee. He replaces Norio Hida, also from JFSA.

Petra Hielkema, Chairperson of the European Insurance and Occupational Pensions Authority (EIOPA), has been elected FinTech Champion.

Helen Rowell, Deputy Chair of the Australian Prudential Regulation Authority (APRA), has been elected DE&I Champion.

IAIS Annual Conference | 16-18 November 2021

Welcoming more than 700 attendees to five sessions over three days, the IAIS Annual Conference once again leveraged a virtual format to bring together stakeholders and IAIS members from all over the world.

The conference programme included panel discussions with the insurance sector's top thinkers, exploring key trends affecting the industry, such as climate and pandemic risks, potential systemic risks, and governance of the use of artificial intelligence and machine learning.

The virtual IAIS Town Hall provided an opportunity for the ExCo leadership team, committee chairs and the Secretary General to present an update on the activities of 2021 and share plans for 2022. Questions from the public Q&A session focussed on climate change, cyber risk and post-crisis reforms (ICS and the Holistic Framework), highlighting the alignment of priorities for insurance sector stakeholders with those set out in the IAIS' 2020-2024 Strategic Plan. Special guest speaker, incoming Chair of the Financial Stability Board (FSB), Klaas Knot, set out the priorities of the FSB and IAIS' contributions to these priorities in a fireside chat with IAIS ExCo Chair, Vicky Saporta.

Recordings from the sessions are available for [replay](#).

Annual General Meeting | 15 November 2021

At the IAIS Annual General Meeting, members welcomed New Caledonia to IAIS membership, elected and re-elected members of the IAIS ExCo and approved the [2020 Annual Report](#).

Concluding the series of meetings and events, IAIS Secretary General Jonathan Dixon noted: "This has been a period of significant milestones in setting out our response to the evolving risks and opportunities in the new normal. Despite the challenges of Covid-19, we have demonstrated continued delivery on our strategic objectives and maintained momentum on key reforms. Our global efforts are more important than ever, at a time when issues of risk management, and the role of insurance, are going to be critical to building back better."

About the IAIS

The IAIS is a global standard-setting body whose objectives are to promote effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to the maintenance of global financial stability. Its membership includes insurance supervisors from more than 200 jurisdictions. For more information, please visit www.iaisweb.org and follow us on LinkedIn: [IAIS – International Association of Insurance Supervisors](#).