



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public Background Session:

Application Paper on the Use of Digital Technology in Inclusive Insurance

IAIS Secretariat

Basel, 2 March 2018



Overview

1. Introduction
2. Public Consultation/Public Background session
3. About Application Papers
4. Objective of the Paper
5. Structure and Main contents of the Paper
6. Next Steps
7. Questions from participants

Public Consultation and Public Background session

- Development of Supervisory and Supporting Material by IAIS is subject to Public Consultation
- Part of the consultation is a Public Background Session to provide background information, describe the subject matter and specific issues
- Comments to be submitted via the Consultation tool on the IAIS website Non-Members

About Application Papers

1. Objective of ICPs to protect the interests of customers. The desired outcomes of the ICPs need to be achieved
2. Proportionality principle:
 - tailor regulation & supervision to the specific conditions and characteristics of the jurisdiction
 - allowing solutions that are adequate to achieve these outcomes without becoming excessive / avoiding unnecessary barriers
3. Application Papers provide additional material related to one or more Insurance Core Principles (ICPs), including actual examples or case studies that help practical application of supervisory material.
4. Application Papers can be used in circumstances where the practical application of principles and standards may vary or where their interpretation and implementation may pose challenges.
5. Application Papers provide further advice, illustrations, recommendations and examples of good practice to supervisors on how supervisory material may be implemented.
6. Application Papers are supporting material of a non-binding nature.

Objective of the draft paper

- Digital Technology and M-Insurance: important area in which guidance can be provided to balance in a proportionate way consumer protection with market development objectives
- Provide guidance to supervisors, regulators and policymakers when considering, designing and implementing regulations and supervisory practices in respect of the use of digital technology in inclusive insurance.
- Primary focus of this paper is on building inclusive insurance markets.
- Building on the Issues Paper on Conduct of Business in Inclusive Insurance (2015)

Structure of the draft paper (1)

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Structure of the draft paper (2)

1. Section 2 describes the typical inclusive insurance market and the typical inclusive insurance customer. This explanation is provided to offer context of the environment within which the supervisor is operating.
2. Section 3 offers a specific description of the use and implications of digital technology within inclusive insurance markets. In combination with section 2, section 3 portrays the context within which the ICPs should be proportionately applied.
3. Section 4 provides application guidance on the relevant ICPs, regarding the use of digital technology in inclusive insurance. Where relevant, examples of observed practices have been included.
4. See slide 5: Guidance should assist in finding proportionate solutions to comply with the ICPs

Next steps

1. Consultation open as of 15 February for 30 days
2. Public background session on 2 March 2018 at 14:00 CET / Basel time (teleconference)
3. End of consultation: 16 March 2018
4. Consideration of comments, revision of draft, final approval process: completed by mid 2018
5. Public Feedback Session: to be planned later, once resolutions of comments have been approved

Consultation tool

Comments to be submitted via the Consultation tool on the IAIS website

- Non-Members (consultations/current consultations):
<https://www.iaisweb.org/page/consultations/current-consultations>
- Members (Members Extranet: consultations and surveys/current consultations):
<https://extranet.iaisweb.org/page/projects-and-activities/consultations-and-surveys/current-consultations>

Questions?

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