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Insurance sector looks to balance technological innovation and consumer protection

InsurTech promises vast potential for transforming the world of insurance. These emerging technologies and innovative business models are already disrupting the industry, and bringing positive changes to how inclusive insurance operates, fostering better product design and risk assessment, improving efficiency and reducing costs. These efficiency gains can lead to lower premiums, better client servicing and faster payouts. Ultimately they translate into greater access and better value for low-income and emerging consumers. But InsurTech innovation could also have negative implications, for example by potentially increasing the risks of cyber-attacks, or by excluding lower income and higher risk consumers.

According to the World Insurance Report 2017, there are now around 1,000 InsurTech start-ups representing a combined investment of USD 2 billion worldwide.¹ “Ongoing innovations in InsurTech present great opportunities but may also increase the complexity of the insurance business and the supply chain. The fast pace of change presents a challenge for regulatory frameworks. Supervisors must remain alert to these changes and consider how these new business models and new actors in the value chain impact regulatory objectives such as data protection, cybersecurity and policyholder protection, to name but a few,” explains **Jonathan Dixon**, Secretary-General of the global insurance standard-setting body, **IAIS**.

These are some of the issues that will be tackled by 60 high-ranking representatives from insurance supervisory and regulatory authorities, the insurance industry and the public sector from over 20 countries in Colombo, Sri Lanka tomorrow, 20 March, at the **12th Consultative Forum (CF12)** [“InsurTech: rising to the regulatory challenge”](#).

Hosted by the [GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia](#) (RFPI-Asia), CF12 is the first of a series of three events to be held through 2018. The series will focus on InsurTech and inclusive insurance, and is being organised by the [International Association of Insurance Supervisors](#) (IAIS), the [Microinsurance Network](#) (MiN) and the [Access to Insurance Initiative](#) (A2ii).

“It is key that regulation, together with firm-level supervision, evolves to ensure the right balance between facilitating innovation, increasing the inclusiveness of the insurance sector, and maintaining the conditions for a fair, safe and stable insurance sector for the benefit and protection of policy holders,” states **Hannah Grant**, Head of the Secretariat at **A2ii**.

“We are excited to host this important gathering in Sri Lanka, where many households and small businesses stand to benefit from the development of a well-regulated and InsurTech-enabled insurance environment,” emphasises **Indrani Sugathadasa**, former Chairperson at the [Insurance Board of Sri Lanka](#) (IBSL).

The event promises an exciting line-up of speakers including Tang Loaec, Founder of TongJuBao, a start-up providing peer-to-peer insurance in China; Arup Chatterjee, Asian Development Bank, who will provide an overview on how technological innovations are meeting the needs of emerging consumers; and Monnida Musicabud from AXA Asia, a global insurer that is successfully reaching millions of people in emerging markets. The Forum will start by looking at what benefits InsurTech can bring to emerging customers and then look at regulatory challenges and how these are being addressed in different countries. Hot topics will include on-demand-based insurance, big data, blockchain technologies and robo-advice.

¹ <https://www.capgemini.com/service/world-insurance-report-2017/>

“Inclusive Insurance provides crucial underpinning for sustainable development. It is designed to meet the needs of emerging consumers and plays a critical role in preventing households from falling back into poverty after a financial shock. It is therefore an important enabler in the economic and social development of a country,” underlines **Katharine Pulvermacher**, Executive Director at the **MiN**. “We are glad that, together with our partners, we are able to leverage our convening power and long track-record working in inclusive insurance to foster this timely dialogue and knowledge exchange amongst regulators, supervisors and the industry to foster the sustainable development of the inclusive insurance sector across the globe.”

CF12 is taking place alongside the GIZ RFPI-Asia [Mutual Exchange Forum on Inclusive Insurance](#) (MEFIN) Public Private Dialogue 5 (21-22 March 2018). The next Consultative Forum will take place on 9 and 10 May in Accra, Ghana, with the third event planned in Latin America later this year.

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More Information:

Event live streaming: [at this link](#)

Consultative Forum website: [at this link](#)

Twitter handles: Follow **#12thCF** @a2ii_org @NetworkFlash #IAIS #InsurTech #technology #digitisation #inclusiveinsurance #innovation #p2pinsurance #OnDemandInsurance #BigData #telematics #blockchain

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About the organising partners

The International Association of Insurance Supervisors (IAIS)

The International Association of Insurance Supervisors (IAIS) is a global standard-setting body promoting effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability. Its membership includes insurance regulators and supervisors from more than 210 jurisdictions.

www.iaisweb.org

The Microinsurance Network (MiN)

A not-for-profit membership-based association, the Microinsurance Network is driven by its vision of a world where people of all income levels are more resilient and less vulnerable to daily and catastrophic risks through improved access to effective risk management tools. Low-income consumers lie at the heart of our mission. We work with a broad range of stakeholders around the world to prioritise the needs, interests and well-being of our ultimate beneficiaries.

www.microinsurancenetwork.org

The Access to insurance initiative (A2ii)

The Access to Insurance Initiative (A2ii) is a unique global partnership working with development agencies, insurance supervisors, international insurance bodies and local entities with the mission to inspire and support insurance supervisors to promote inclusive and responsible insurance. The A2ii is the implementation arm of the IAIS on financial inclusion and capacity building, a partnership which provides close connections with insurance supervisors and regulators worldwide.

www.a2ii.org