

Newsletter

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Register Today for the 25th IAIS Annual Conference in Luxembourg



Register today for the IAIS committee meetings, Annual General Meeting of the membership, and the 25th IAIS Annual Conference (open to stakeholders) taking place in Luxembourg from 5-9 November.

Members: To register for the committee meetings, Annual General Meeting and/or the Annual Conference, please click [here](#).

Stakeholders/public: To register for the Annual Conference, please click [here](#).

The programme schedule, along with logistical information, is available on the Annual Conference website. Regarding the programme, please see the related article on [p 3](#) of this Newsletter.

From the Secretary General

I was pleased to represent the IAIS at the Regulators Insurance Forum hosted by the Argentinean G20 Presidency in Bariloche, Argentina, on 24 September. This was the first time that a distinct forum for insurance has formed part of the G20 agenda, recognising the crucial role that insurance can play in building resilient economies and promoting sustainable economic development.

Supervisors agreed that with increasing longevity and climate risks, protection gaps are a pressing issue that must be addressed. The role of supervisors in the promotion of fair, safe and stable insurance markets for the benefit and protection of policyholders is an important part of addressing the protection gap, as is the implementation of proportionate and appropriate supervisory approaches to the broadening of access to insurance for the millions of unprotected individuals and businesses.

Forum participants also agreed that the insurance industry can contribute significantly to the real economy as institutional investors, especially in infrastructure projects that can build resilience. Supervisors discussed how regulatory frameworks and supervisory practices can take into account the development and use of new technologies in the insurance sector, and how this can help improve the availability of insurance coverage, while also addressing the challenges of data security and cyber risk mitigation.

My congratulations to the Argentine Superintendency for their leadership in highlighting the crucial role of insurance as part of the G20 Presidency. A key takeaway was the value of on-going engagement and discussion at a global level on infrastructure investment, economic resilience and innovation.

Jonathan Dixon, Secretary General



For more information or to subscribe to the newsletter and e-mail alerts, please visit www.iaisweb.org. Comments and suggestions are always welcome.

In Focus...**Developing a New Strategic Plan – the IAIS Continues Working towards a New Set of Priorities**

For the IAIS, 2019 will clearly be a watershed year. It will move from finalising the current commitments to the post-financial crisis reform agenda – ComFrame,¹ including Insurance Capital Standard (ICS) Version 2.0 for confidential reporting, and a holistic framework for the

mitigation of systemic risk – to launching a new five-year strategic plan with a new statement of priorities for the period 2020-24.

Work on this new strategic focus began in earnest early this year. It has been a very comprehensive, transparent and inclusive process. Reflecting the inclusiveness of this association, the broader membership, as well as interested stakeholders, have been invited and encouraged to participate in shaping this vision. Most recently, a draft set of High Level Goals and Strategies was shared with Members for comment during August.

While IAIS Task Force members look to finalise the new strategy in the coming months, there is a clear sense that IAIS core functions are not in need of an overhaul. Rather, what is being discussed is a shift in the focus or emphasis of these activities to take into account the fast-changing global context in which the IAIS operates. Digital innovation, cyber risk, climate change, the protection gap...these are all fundamental market developments and challenges requiring the attention of insurance supervisors.

Out of this process, several key messages have emerged:

One, going forward, IAIS standard-setting activities are expected to be less intensive and even more targeted and specific to any new risk identified through our surveillance and implementation work that cannot be addressed through enhanced supervisory practices alone.

There is a clear sense that IAIS core functions are not in need of an overhaul. Rather, what is being discussed is a shift in the focus or emphasis of these activities to take into account the fast-changing global context in which we operate.

Two, as the IAIS finalises its part of the post-financial crisis framework, our focus will necessarily shift:

- First, in terms of the themes – a pivot to the emerging/emerged opportunities – but, within this, an increased focus on good supervisory practices (applying our comprehensive set of standards), rather than setting new rules; and
- Second, to a more robust assessment of the implementation of the agreed standards that have been developed; recognising that IAIS standards are only meaningful if they are consistently implemented and effective in practice.

The promotion of financial stability will remain a primary strategic focus of the IAIS, and our holistic approach to the mitigation of systemic risk will allow for a structured cycle of global monitoring of potential systemic risk at an individual insurer and sector-wide level. The collective consideration of appropriate supervisory responses – including enhanced macroprudential policy measures – and a transparent process of assessment, will help ensure consistency of implementation.

¹ Common Framework for the Supervision of Internationally Active Insurance Groups

The coming period will also likely see a more integrated approach to prudential and market conduct work streams, reflecting the fact that many of the risks to policyholder protection emerging from the trends and developments such as digital innovation relate to the fair treatment of customers.

Finally, delivering on these goals – in particular helping all Members proactively respond to emerging trends and developments – will require a change in how the IAIS works and communicates to become more agile and responsive. Likewise, an effective response will also require continued engagement and collaboration with our stakeholders on these shared challenges. This will be an exciting next chapter.

To view Secretary General Jonathan Dixon's update presentation on plan progress delivered at the Global Seminar in Moscow this past July, please click [here](#).

News Updates

Looking Ahead to the IAIS 25th Annual Conference

On 8-9 November, the IAIS will convene its 25th Annual Conference in Luxembourg. The theme is "Reimaging Insurance" – a fitting theme in this era of rapid change.

Panel sessions will include the following:

Thursday, 8 November

- Session 1: IAIS Major Projects Update

Friday, 9 November

- Session 2: A Brave New World of Big Data and Artificial Intelligence – What it Means for the Insurance Sector and Insurance Supervision
- Session 3: Supporting Sustainable Economic Development – Exploring The Role of Insurance Supervisors
- Session 4: Climate Risk and Natural Catastrophes – Closing the Protection Gap
- Session 5: A Supervisory Discussion of a Holistic Approach to Insurance Supervision – Making the Link between Prudential and Conduct of Business Supervision

For more detailed information on the preliminary programme, please visit the Annual Conference website by clicking [here](#).

Stakeholder Engagement

ComFrame and ICS Consultation Reminder

The draft overall ComFrame and ICS Version 2.0 are currently under public consultation.

Please be reminded that comments are due by 30 October 2018, 24:00 Basel time (Central European Time). Please take note of the change from summer time (CEST) to winter time (CET) in Basel on 28 October 2018.

Recovery and Resolution Presentation Now Available

The IAIS presentation delivered at the 12 September stakeholder meeting on recovery planning and resolution is now available on the IAIS website ([link](#)).

Meetings and Events

Upcoming IAIS Meetings: October – November 2018

All of the following IAIS meetings will be held in Basel unless otherwise noted. Members should visit the IAIS website at www.iaisweb.org for more information on a specific meeting and to confirm dates and locations.

Day	Month	Group
2-3	October	Supervisory Material Review Task Force (Zurich)
9	October	Macroprudential Committee (Teleconference)
11	October	Strategic Plan and Financial Outlook Task Force (Santa Clara)
12	October	ICS Task Force (Santa Clara)
12	October	Executive Committee (Teleconference)
16-19	October	Capital, Solvency and Field Testing Working Group
23	October	Resolution Working Group (Teleconference)
5-8	November	Parent Committee meetings (Luxembourg)
8	November	Annual General Meeting (Luxembourg)
8-9	November	Annual Conference (Luxembourg)
14	November	Core Curriculum Task Force (Teleconference)

Stakeholder Meetings

For information about any planned stakeholder meetings, please visit the Stakeholder Meetings page of the IAIS website by clicking [here](#).

Seminars and Training

Upcoming: ASSAL – IAIS Regional Seminar for Supervisors in Latin America, 21-23 October, Buenos Aires, Argentina

The IAIS is teaming up with the Association of Insurance Supervisors of Latin America (ASSAL) to host a regional seminar for supervisors in Latin America, alongside the 14th IAIS – A2ii – Microinsurance

Network Consultative Forum (see related story on [p 9](#) of this Newsletter). The seminar will be held in Buenos Aires.

Upcoming: IAIS – A2ii – Toronto Centre – Bank of Lithuania Training Programme for Supervisors in Central and Eastern Europe and Transcaucasia, 12-16 November, Vilnius, Lithuania

Jointly organised by the IAIS, A2ii, Toronto Centre and Bank of Lithuania, the purpose of this highly interactive training programme is to help participants understand the importance of a proportionate

approach to regulation and supervision in order to improve access to insurance services. It will include sessions on current practices from various jurisdictions related to inclusive insurance.

The programme is designed for middle-to-senior level officials from regulatory and supervisory authorities involved in microinsurance regulation and supervision in the Central and Eastern Europe and Transcaucasia (CEET) region. For more information, please click [here](#). If you are a supervisor from the CEET region and are interested in attending the training programme, please complete the online registration form by 11 October by clicking [here](#).

Committee and Subcommittee Activities

Committee Activities

Executive Committee

The Executive Committee met via teleconference on 4 September and approved a report on the 2018 G-SII Exercise sent to the Financial Stability Board Standing Committee on Supervisory and Regulatory Cooperation for its meeting on 11 September.

The Executive Committee also met on 18 September in Basel. Agenda items included a discussion of the IAIS holistic framework for the assessment and mitigation of systemic risk, the establishment of a group to explore the role of supervision in sustainable cyber insurance underwriting and venue selection for the 2020

Global Seminar and Mid-Year Committee Meetings.

Secretariat Support: malene.duncan@bis.org

Macroprudential Committee

The Macroprudential Committee met in Basel on 17 September. Agenda items included a discussion of the key elements of the holistic framework for the assessment and mitigation of systemic risk in the global insurance sector.

Secretariat Support: andrei.radu@bis.org

Subcommittee Activities

Accounting and Auditing Working Group

The Accounting and Auditing Working Group met on 12-13 September in Basel. Members discussed proposed revisions to ICP 20 (Public Disclosure) as a result of the public consultation in June. Parent committees will discuss revisions to the ICP material at meetings in November.

The Working Group also discussed a document on IFRS 17 jurisdictional implementation efforts that will be submitted to the IAIS Capital, Solvency and Field Testing Working Group to assist in monitoring.

The Accounting and Auditing Working Group next meets on 5-6 December in London.

Secretariat Support: jay.muska@bis.org

Governance Working Group

At its meeting on 11-12 September, the Governance Working Group continued to progress work on the revision of ICP 8 (Risk Management and Internal Controls) and the development of the draft *Application Paper on Proactive Supervision of Corporate Governance*. The Working Group also discussed resolution of the public consultation comments on the draft *Application Paper on the Composition and the Role of the Board*.

Secretariat Support:
grzegorz.komarnicki@bis.org

Market Conduct Working Group

The Market Conduct Working Group met on 13-14 September in London. At this meeting, members discussed the comments received during the public consultation on the draft *Issues Paper on the Increasing Use of Digital Technology in Insurance and its Potential*

Impact on Consumer Outcomes. They also discussed the proposed structure and substance of the draft *Issues Paper on the Use of Personal and Other Information (Data)*.

Secretariat Support:
peter.vandenbroeke@bis.org

Resolution Working Group

The Resolution Working Group met on 11 September and on the morning of 12 September in Basel.

On 12 September, the IAIS also held a stakeholder event on recovery planning and resolution. The event was intended to provide Members and stakeholders with the opportunity to discuss revisions to supervisory material on recovery planning in ICP 16.13 and the ComFrame material integrated therein, as well as on the ComFrame material integrated into ICP 12 (Exit from the Market and Resolution).

In addition, stakeholders were asked to provide input into the development of an *Application Paper on Recovery Planning*. A public consultation document is scheduled to be released by the end of this year.

Over 60 people participated in this stakeholder event.

Secretariat Support:
hanne.vanvoorden@bis.org

Standards Assessment Working Group

Operating under the Implementation and Assessment Committee, the Standards Assessment Working Group held its first in-person meeting on 4 September in Basel. Members discussed the different aspects in the development of the distinct assessment process within the IAIS – the Peer Review Process, the Self-Assessment Portal and the Member Assessment Process. They also agreed on the work plan for 2019, to include updates and revisions to the *Handbook for*

Assessing Implementation of IAIS Supervisory Material, continuing work on the Peer Review Process for the thematic area of “Supervisors and Supervisory Powers” (ICPs 1 and 2) and planning Peer Review Processes for future thematic areas. The Working Group also discussed the development of a Member Assessment Process.

The Working Group is responsible for overseeing the assessment of the implementation of IAIS supervisory material. Specifically, the Working Group will:

- Provide on-going oversight of IAIS assessment activities;
- Establish and oversee the Expert Teams that are conducting assessments;
- Review and approve all reporting from the Expert Teams; and
- Revise, as necessary, the *Handbook for Assessing Implementation of IAIS Supervisory Material*.

The Working Group will follow the assessment activities of other standard-setting bodies, the Financial Stability Board and other relevant regional or international bodies pertaining to assessment activities.

Secretariat Support: rogier.derksen@bis.org

Access to Insurance Initiative (A2ii) Report



The Access to Insurance Initiative (A2ii) is a unique global partnership which inspires and supports insurance supervisors in promoting access to insurance for underserved and low-income populations. It is the IAIS implementation partner on financial inclusion.

A2ii New Funding Phase – a Time to Reflect and Look Forward

On 1 July, the A2ii entered a new funding phase which runs until mid-2022. This is the third A2ii funding phase. It provides an opportunity to look back and reflect on what has been achieved as well as to reflect on its priorities going forward.

Notably, the last phase has seen the A2ii move closer to the IAIS. Since July 2015, the A2ii has maintained an office in the IAIS offices in Basel. The A2ii has placed a much greater emphasis on implementation and dissemination activities, moving beyond the knowledge generation focus of its first funding phase. This has seen it establishing regional offices in Latin America and Sub-Saharan Africa, strengthening its relationship with regional supervisory associations, and organising many more trainings, dialogue events and supervisory peer learning activities at a regional level.

This latest funding phase was preceded by a review and update of A2ii strategy and a careful stocktake of its activities. The A2ii's core mission is to inspire and support supervisors in promoting inclusive and responsible insurance. This was confirmed as still valid. However, to more effectively fulfil this mission, the A2ii plans to increase its awareness-raising activities with policymakers, recognising that they are often the ones with the greatest influence on the mandate and resources of insurance supervisors. The A2ii focus on regional implementation will continue and be

complemented by carefully selected national implementation support where it will generate knowledge relevant to other supervisors at a regional or global level. With the A2ii set to celebrate its 10th anniversary next year and recognising that the demand for capacity building support is on-going and long term, time will also be devoted to examining the long-term sustainability of its funding sources and institutional structure.

Most importantly, the A2ii would like to take this opportunity to thank its funders – German Federal Ministry for Economic Cooperation and Development and The Netherlands' Ministry of Foreign Affairs – for their continued support and for making this all possible. As well, the A2ii welcomes its recent engagement with the United Kingdom's Department for International Development to support the development of supervisory actuarial skills training.

A2ii – Updated Governance Structure

In line with the commencement of its new funding phase, the A2ii has updated its charter. Before doing so, the A2ii took stock of its governance structure. Reflecting on the evolution and growth of the A2ii since it was first established and its strengthened relationship with the IAIS, the A2ii Governing Council established a working group to develop recommendations based on an external review.

The A2ii has now adopted a new charter. This new charter strengthens the Governing Council's board functions and provides the Executive Committee with more decision-making authority, such as approving the annual report. The A2ii Secretariat has received more autonomy as all operational functions are now formally delegated to it. The changes 1) authorise the Governing Council and the Executive Committee to expand their size, 2) provide clear membership criteria, and 3) explicitly welcomes more participation of emerging and developing market jurisdictions. As in the past, the Chair or Vice Chair of the Governing Council must represent a developing or emerging market jurisdiction.

The new A2ii charter may be viewed by clicking [here](#). The roster of Governing Council and

Executive Committee members may be viewed by clicking [here](#).

Recent Events

IAIS – A2ii Consultation Call on Risk Talk, 20 September (webinar)

Risk Talk is an interactive community tool that links climate risk experts and stakeholders (including supervisors), developed by the InsuResilience Global Partnership. Experts from the InsuResilience team provided an overview of this promising tool for supervisors, and answered questions. More information on the tool may be found [here](#).



A2ii and Financial Sector Deepening Africa sign a Memorandum of Understanding on Future Cooperation in Inclusive Insurance Market Development in Sub-Saharan Africa

The A2ii and the Financial Sector Deepening Africa have signed a new framework agreement in the form of a Memorandum of Understanding setting out principles and scope for cooperation in supporting inclusive insurance market development in Sub-Saharan Africa.

Peter Braumüller, Chair of the A2ii Governing Council and Mark Napier, Director of the Financial Sector Deepening Africa signed the Memorandum of Understanding, framing the respective complementary objectives and results frameworks of the two organisations to reinforce future cooperation efforts. The exact areas of collaboration and specific joint activities will be determined annually through discussion and subsequently annexed to the agreement.

Financial Sector Deepening Africa is a non-profit company promoting financial sector development across sub-Saharan Africa. It works with partners to build robust, efficient and, above all, inclusive financial markets. As part of its Inclusive Finance pillar, Financial Sector Deepening Africa funds the Risk, Remittances and Integrity programme to develop insurance markets, enable payment

systems and allow the inclusive integrity of financial systems in Sub-Saharan Africa.

13th Consultative Forum, InsurTech and Mobile Insurance: Rising to the Regulatory Challenge, Ghana (video summary)

With respect to InsurTech and mobile insurance, it is critical for regulators to embrace the change and encourage innovation in the insurance industry. However, enabling innovation while simultaneously ensuring adequate protection of stakeholders can be a challenging undertaking. What are the success stories and steps towards a successful change of culture within a regulatory authority? What are the most common challenges and risks affronting the supervisors?

This six minute video summarising the key messages and conclusions on the subject may be viewed by clicking on the icon or [here](#),



Upcoming Events

IAIS – A2ii – Microinsurance Network 14th Consultative Forum on InsurTech: Rising to the Regulatory Challenge, Buenos Aires, Argentina

Digital technologies have experienced rapid growth in recent years. They are changing the insurance landscape by paving the way for new players and business models with the potential to expand coverage faster than ever before, while enhancing efficiencies and lowering costs across the product lifecycle. The 14th Consultative Forum provides a platform for dialogue between regulators, the industry and other stakeholders, as well as the opportunity to meet with and learn from colleagues and experts involved in InsurTech innovation from Latin America and other regions.



Key themes of the Forum:

- Understanding future trends: how will new technologies and actors change the insurance landscape?
- Creating customer value: what value can these technologies bring to emerging customers?
- Stimulating innovation: what does the private sector need to foster innovation? How can policymakers and supervisors create environments that enable and encourage innovation?
- New regulatory considerations: what approaches are regulators around the world adopting, to facilitate digital innovation in their markets? What key lessons can be learned from these?

REGISTER

The objective of the Consultative Forums is to bring about dialogue between policymakers, supervisors and the industry that is critical in fostering knowledge and sound policymaking in the field of inclusive insurance.

The 14th Consultative Forum will be hosted by the IAIS, ASSAL, the Superintendencia de Seguros de la Nación, A2ii and the Microinsurance Network. It will take place on 24 October alongside the ASSAL – IAIS Regional

Seminar for Insurance Supervisors of Latin America being held from 21-23 October.

Follow the details of the event on social media: **#14thCF**

Download the [Save the Date](#) in Spanish.
Download the draft agenda [EN](#) | [SP](#).

Recently Published

Ratios and Cost Structures in Insurance Supervision (28th IAIS – A2ii Consultation Call now available in French and English)

When licensing and supervising insurance products, supervisors must make judgments on the soundness, sustainability and ethics of the proposed product. This is especially the case when products are designed as part of an initiative for increased financial inclusion as the underserved segments often contain economically and socially vulnerable consumers with low familiarity with insurance products. Clémence Tatin-Jaleran and Andrea Camargo, presented and were joined by Michael Sicsic of the United Kingdom's Financial Conduct Authority. They shared their experience with the set of key reporting ratios they are piloting. Annibal Vasconcellos of SUSEP, the Brazilian supervisory authority, also shared his experiences with the monitoring of ratios.

[Ratios and Cost Structures in Insurance Supervision Report.](#)

[Compte rendu: Ratios et structures de coûts utilisés dans le contrôle de l'assurance.](#)

Important update:

If you wish to continue to receive news about A2ii events and publications, invitations to A2ii consultation calls and learnings about inclusive insurance regulation and supervision across jurisdictions, please confirm your subscription by clicking [here](#). As of 1 November, the A2ii will only be sending its communications to the confirmed subscribers.

About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions. The mission of the IAIS is to promote 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.

Established in 1994, the IAIS is the international standard setting body responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation. The IAIS also provides a forum for Members to share their experiences and understanding of insurance supervision and insurance markets.

The IAIS coordinates its work with other international financial policymakers and associations of supervisors or regulators, and assists in shaping financial systems globally. In particular, the IAIS is a member of the Financial Stability Board (FSB), member of the Standards Advisory Council of the International Accounting Standards Board (IASB) and partner in the Access to Insurance Initiative (A2ii). In recognition of its collective expertise, the IAIS also is routinely called upon by the G20 leaders and other international standard-setting bodies for input on insurance issues as well as on issues related to the regulation and supervision of the global financial sector.

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