



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Emerging markets initiative • FinTech • Stakeholder
Engagement Plan • Annual General Meeting •
Global Seminar • ComFrame • ICS • Governance •
Policyholder protection • ICPs • Systemic risk
Consultation • Strategic plan • Regional seminar •
Resolution • Implementation • Accounting and auditing

IAIS ANNUAL REPORT 2017

Activities from January
through December 2017

Including 2017 Financial Statements

TABLE OF ACRONYMS

A2II	Access to Insurance Initiative
ASSAL	Latin American Association of Insurance Supervisors
CSFWG	Capital, Solvency and Field Testing Working Group
FSTC	Financial Stability and Technical Committee
GIMAR	Global Insurance Market Report
G-SII	Global Systemically Important Insurer
IAA	International Actuarial Association
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
ICP	Insurance Core Principle
ICS	Insurance Capital Standard
ISA	International Standard on Accounting
KIRT	Key Insurance Risks and Trends
MIMOU	Multilateral Memorandum of Understanding
OECD	The Organisation for Economic Co-operation and Development
SAPR	Self-Assessment and Peer Review

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MESSAGE FROM THE SECRETARY GENERAL



Jonathan Dixon
Secretary General

The departure of long-time IAIS Secretary General Yoshihiro Kawai last November marked the beginning of a transition at the Secretariat. For nearly 20 years, Yoshi served this Association with distinction, leaving behind a legacy of significant accomplishments. I am honoured to lead the Secretariat with the many opportunities that lie ahead.

Working alongside many of you over the past eight years as a member of the Executive Committee and as Chair of the Implementation Committee, I have developed a deep belief in what the IAIS stands for:

- We are an inclusive Association – one might say this is actually our greatest strength as we are able to call upon and help build capacity across supervisors representing every corner of the globe.
- We also demonstrate how people from different regulatory regimes with different interests and different perspectives can work together to find joint solutions towards a common goal – that of effective and globally consistent supervision, to better protect policyholders and promote global financial stability.
- We know how to make tough decisions through robust dialogue, as we demonstrated when we agreed on a unified path to convergence on Insurance Capital Standard (ICS) Version 2.0 and progressed a holistic framework for the assessment and mitigation of systemic risk in the global insurance sector.

These are exciting times for the Association, with major components of the post-financial crisis reform agenda scheduled for completion in the near-term and new issues emerging. My job as Secretary General is to help Members succeed in achieving IAIS goals. Right now, this means:

- Delivering on our current commitments to help ensure the stability of the global financial system, covering our work on a holistic framework for the mitigation of systemic risk in the insurance sector and the development of ComFrame, including an ICS that is implementable by the end of 2019 in the form of confidential reporting to group-wide supervisors and discussion in supervisory colleges.
- Being alert to emerging risks and opportunities. The IAIS must continue to be forward-looking and help shape supervisory responses to the emerging insurance landscape, including on issues such as FinTech, cybersecurity and sustainability.
- Preparing to pivot to an increased focus on assessing and supporting implementation of agreed global standards among our Members as we complete some of our major projects.

The IAIS has been on a remarkable trajectory and, in 2017, the forward progress continued. Let me share just a few examples:

MESSAGE FROM THE SECRETARY GENERAL

- Our work on a Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) and systemic risk in the insurance sector was welcomed by the broader standard-setting community, including the Financial Stability Board, and is on track for delivery by the end of 2019.
- We developed high-quality papers on topics such as corporate governance and FinTech, and put in place processes to provide further guidance to supervisors on these and many other topics.
- We adopted a comprehensive stakeholder engagement plan promoting meaningful public participation in the work we do.
- We partnered with other organisations to provide forums for supervisors to exchange ideas and develop good supervisory practices in areas such as financial inclusion [with the Access to Insurance Initiative (A2ii)] and climate risk (Sustainable Insurance Forum, with the UN Environment Inquiry).
- We significantly scaled up support for the assessment and implementation of IAIS principles and standards – to illustrate: 222 supervisors from 55 different authorities participated in our FIRST ONE on-line programme for new supervisors, organised in conjunction with the Financial Stability Institute.

Because of your dedication to a shared mission, this Association is in a strong position with many opportunities to achieve even more by focusing on the areas identified as priorities by the membership and finding smarter ways to deliver on these goals. As your Secretary General, I want to make sure the IAIS continues to be an effective and inclusive organisation – one that offers value to each and every Member from across our broad membership as we work towards our common goals.

I want to encourage our Members, including this year's four new Members, to take an active role in shaping the future direction and priorities of this Association. In 2018, Members will be developing a new Strategic Plan and Financial Outlook for the next five year period 2020-24. Receiving your feedback is a critical part of shaping this collective future, so I hope you will freely share your perspectives.

We are fortunate to have a strong organisational foundation, dedicated membership and talented Secretariat team as we move forward to the next phase in the history of this Association.

ABOUT US

Established in 1994, the IAIS is a voluntary Member-driven, non-profit organisation of insurance supervisors and regulators formed under Article 60 of the Swiss Civil Code. With 213 Members (accounting for 97% of worldwide premium volume),¹ the IAIS is the international standard-setting body responsible for developing and supporting the implementation of principles, standards and guidance for the supervision of the insurance sector.

The IAIS provides an important forum for Members and stakeholders to discuss supervisory practices and issues of mutual interest.

Because the IAIS represents a body of informed professional opinion within the field of insurance supervision, the Group of 20 and many international bodies routinely call upon the collective expertise of IAIS Members. Hosted by the Bank for International Settlements, the IAIS operates with the support of a Secretariat located in Basel, Switzerland under the direction of a Secretary General.

GOVERNING STRUCTURE

The IAIS consists of the following three organs: the General Meeting of Members, the Executive Committee and its committees and subcommittees, and the Secretariat.

The **General Meeting of Members** may amend the by-laws; adopt principles, standards and guidance developed by the Association or other persons or entities not already adopted by the Executive Committee (eg Executive Committee defers the decision to the General Meeting); elect Executive Committee Members and take other actions specified in the by-laws.

The **Executive Committee** is responsible for providing strategic direction and managing IAIS affairs in a manner consistent with the specific duties set forth in the by-laws. It appoints the Secretary General and takes all decisions necessary to achieve the IAIS mission in accordance with the directions given by the General Meeting. From time-to-time, it creates subcommittees to work on specific issues. Representatives are drawn from every region of the world and different types of insurance markets.

In accordance with IAIS by-laws, the Executive Committee has established the following four committees, all of which report to the Executive Committee:

- [Audit and Risk](#)
- [Budget](#)
- [Financial Stability and Technical](#)
- [Implementation](#)

The **Audit and Risk Committee** is responsible for reviewing IAIS internal controls and monitoring IAIS activities for achievement of objectives and compliance with applicable procedures and resolutions.

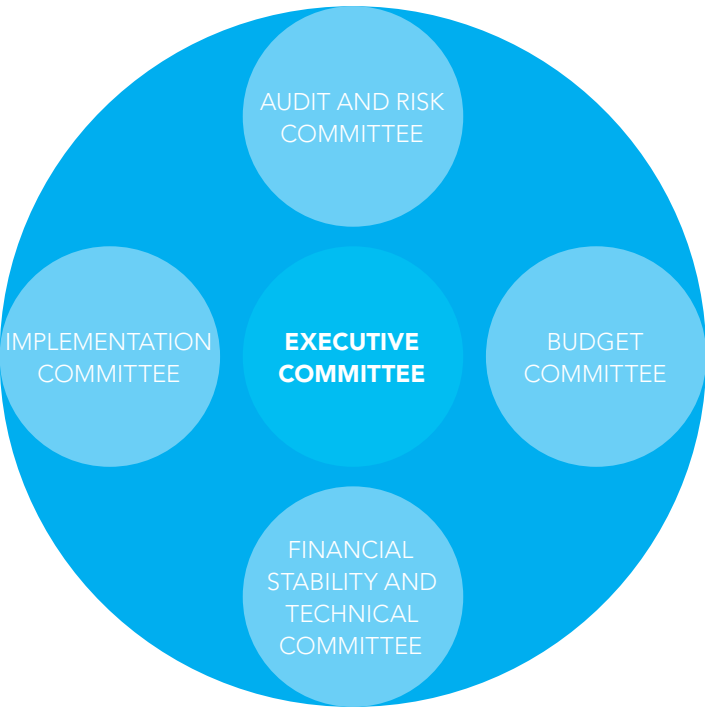
The **Budget Committee** is responsible for proposing an annual budget and annual member fees to the Executive Committee and periodically reporting to the Executive Committee on the financial situation of the IAIS.

The **Financial Stability and Technical Committee** (FSTC) is responsible for developing international principles, standards, guidance and other documents related to insurance supervision and performing work on issues related to financial stability, systemic risk and macroprudential supervision and surveillance. It steers

“The insurance business has become increasingly global. Emerging risks such as cyber and climate change need a global and coordinated response. As a multilateral Association, the IAIS is best placed to promote consistent supervision and fair, safe and robust insurance markets to benefit policyholder protection and financial stability on a world-wide basis”.

Gabriel Bernardino, Chair, EIOPA

IAIS COMMITTEES, 2017



and oversees this standard-setting and financial stability work consistent with strategic guidance from the Executive Committee. This includes, but is not limited to, completing, reviewing and updating IAIS supervisory and supporting material; developing ComFrame, including an ICS; and analysing and developing IAIS supervisory and supporting material on issues related to financial stability, systemic risk and macroprudential supervision.

The **Implementation Committee** is responsible for issues related to assessments and assistance in the implementation of IAIS principles, standards and guidance.

In November, the Executive Committee approved a new committee structure. Under this new structure, effective 1 January 2018, the FSTC ceased to exist. Its standard-setting activities were allocated to the Policy Development Committee and its financial stability activities were allocated to the Macroprudential Committee, along with those of the Systemic Risk Assessment Task Force. The Implementation Committee was renamed the Implementation and Assessment Committee.

The IAIS holds committee meetings at least four times a year, and subcommittee meetings on an as-needed basis, in Member jurisdictions throughout the world.

The **Secretariat** is directed by the Secretary General who is appointed by, and acts at the direction of, the Executive Committee. Its main responsibilities are to support IAIS activities; ensure efficient communication among Members, stakeholders and others; maintain and reinforce the IAIS; facilitate cooperation with other institutions; manage the financial, material and human resources of the IAIS and carry out all other functions assigned by the Executive Committee.

¹ A current membership list can be viewed by clicking [here](#).

MISSION

The IAIS is guided by the following mission statement:

The IAIS mission 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.

In carrying out its mission, the IAIS operates in an open and transparent manner, setting an appropriate example of transparency, administrative due process and governance, while maintaining the ability of supervisors to exchange sensitive information in confidence. Consultations on supervisory and supporting material are conducted in public.

Stakeholder meetings are an integral part of the IAIS decision-making process. Extensive stakeholder engagement is reflected in the work of IAIS committees and subcommittees and in the commitments contained in the IAIS Stakeholder Engagement Plan.

The IAIS mission has evolved steadily over time. Starting out

modestly as a forum to exchange views and information, the IAIS has evolved into a global insurance standard-setting body responsible for developing and assisting in the implementation of supervisory and supporting material and contributing to financial stability. Yet, importantly, it still serves as a forum for Members to share their experiences and understanding of insurance supervision and insurance markets.

In addition to its mission statement, the IAIS is guided by a five-year Strategic Plan and Financial Outlook, with the current version covering the period 2015-19. As shown in Figure 1, this strategic plan includes seven "High Level Goals", each of which is accompanied by specific strategies for achieving that goal and supported with a detailed project roadmap.

It is important to point out that the IAIS is a stand-setter, not a legislature. Members do not pass laws; through agreement, they recommend principles and standards and provide supervisory guidance. It is the prerogative of the appropriate sovereign authorities to implement or not implement IAIS core principles, standards or policies.

IAIS HIGH LEVEL GOALS, 2015 – 19

- 1. Assessing and responding to insurance sector vulnerabilities
- 2. The IAIS as global standard-setter for insurance
- 3. Contributing to financial stability in the insurance sector
- 4. Enhancing effective supervision
- 5. Enhancing implementation and observance of ICPs
- 6. Effective stakeholder outreach and external interaction
- 7. Effective and efficient organisation and operations

Figure 1

EVOLUTION OF THE IAIS MISSION

Modest Beginnings (1994):

Forum to exchange views and information and disseminate statistical/technical information

Taking Shape (2004):

Cooperate to improve supervision of the insurance industry to maintain efficient, fair, safe and stable insurance markets for the benefit and protection of policyholders; promote the development of well-regulated insurance markets; and contribute to global financial stability.

Post-Financial Crisis (2010 - Present):

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 contribute to global financial stability.

Figure 2

“Common goals and visions are essential in times like these. The IAIS and its Members play a vital role in contributing to policyholder protection, sound insurance markets and global financial stability”.

Peter Braumüller, Managing Director, Financial Market Authority, Austria

ACTIVITIES

The IAIS reach in the global insurance sector covers a broad and diverse range of workstreams including, but not limited to, accounting and auditing, capital and solvency, climate risk, conduct of business, emerging markets, financial inclusion, financial stability, FinTech, governance, reinsurance, resolution, supervisory capacity building, sustainable insurance and systemic risk.

These workstreams all fit together and feed into and support one another. Standard-setting is the origin of IAIS activities from which the other workstreams are developed. They rest upon this foundation. There is a sequential order to IAIS activities. Activities undertaken by the IAIS in furtherance of its mission can be grouped into three primary areas: standard-setting, financial stability and implementation.

STANDARD-SETTING

Standard-setting is a core IAIS activity. The IAIS develops and publishes supervisory, supporting and other material with the objective of promoting consistent, sound and effective supervision of the insurance sector. The IAIS completed substantial standard-setting work in 2017.

Supervisory material consists of principles, standards and guidance and is classified into the following categories using a three-tier approach as depicted in Figure 3: Insurance Core Principles (ICPs), ComFrame, and policy measures for Global Systemically Important Insurers (G-SIIs). The ICPs apply to the supervision of all insurers within a jurisdiction. ComFrame builds upon the ICPs with standards and guidance specific to the supervision of IAIGs.

This three-tier approach reflects the proportionate response of the IAIS; that is, that supervisors should have the flexibility to tailor certain supervisory requirements and actions in accordance with the nature, scale and complexity of individual insurers and exercise "supervisory common sense" – that is, to fit solutions to the risk in a flexible and evolving way that achieves IAIS objectives but does not impede stable business development.

Supporting material consists of **Issues Papers** and **Application Papers**. Issues Papers provide background on particular topics, describe current practices, actual examples or case studies pertaining to a particular topic and/or identify related regulatory and supervisory issues and challenges. Issues Papers are primarily descriptive and are not meant to create expectations on how supervisors should implement supervisory material. Issues Papers often form part of the preparatory work for developing standards and may contain recommendations for future work by the IAIS.

Application Papers provide additional material related to one or more ICPs, ComFrame or G-SII policy measures, including actual examples or case studies that help with the practical application of supervisory material. Application Papers could be provided in

"To be involved in the work of the Association is to participate in the design and discussion of best practices in insurance supervision through an exchange and interaction with other supervisors at a global level. Through our participation, we profit from the vast knowledge of our colleagues in this field – knowledge that helps confirm that we are on the right path".

Norma Alicia Rosas Rodriguez, President, National Insurance and Surety Commission (CNSF), Mexico (Mexico, CNSF)

circumstances where the practical application of principles and standards may vary or where their interpretation and implementation may pose challenges. Application Papers can provide further advice, illustrations, recommendations or examples of good practice to supervisors on how supervisory material may be implemented.

Supervisory and supporting material must undergo a public consultation process.

The IAIS produces other written material such as reports, surveys and comment letters that falls outside of supervisory and supporting material.

(For a complete list of action taken on supervisory and supporting material, please see pages 48 – 49 of this report.)

ARCHITECTURE OF IAIS INTERNATIONAL SUPERVISORY STANDARDS IN 2017

Type of Entity	Legal Entity	Group	Internationally Active Insurance Group	Global Systematically Important Insurer
First tier ICPs	ICPs that apply only to legal entities	ICPs that apply to legal entities and groups		
Second tier ComFrame	ComFrame			
Third tier G-SII package				G-SII package

Figure 3

FINANCIAL STABILITY

The IAIS plays a key role in contributing to global financial stability. It does this in two primary ways. First, the IAIS is developing a holistic framework for the assessment and mitigation of systemic risk in the insurance sector in line with its Systemic Risk Assessment and Policy (SRAP) Workplan. The workplan has three elements:

- 1. Improving the 2016 G-SII Assessment Methodology as part of the three-year review cycle.
- 2. Ensuring cross-sectoral consistency between the insurance and banking methodologies.
- 3. Developing an activities-based approach to the mitigation of systemic risk in the insurance sector.

Included within the workplan is a global initiative under the purview of the Financial Stability Board and the Group of 20, to identify potential G-SIIs. A G-SII is an insurance entity whose distress or disorderly failure would cause significant disruption to the global financial system and economic activity. The IAIS developed an initial G-SII assessment methodology in July 2013 and published an updated version in 2016 in accordance with its planned three-year review cycle. The IAIS applies its assessment methodology in making recommendations to the Financial Stability Board as part of the annual G-SII identification process.

IMPLEMENTATION

Achieving IAIS standard-setting objectives depends upon developing high-quality supervisory material and supporting its implementation. The Coordinated Implementation Framework continues to provide the operational framework for IAIS delivery of its implementation activities. It supports the efficient design, delivery and prioritisation of implementation activity by requiring the IAIS to focus on implementation activities that build upon its unique perspective as a global standard-setting body, engage with regions and regional associations to understand and address challenges from the bottom up, leverage the capacity and commitment of partners to address implementation needs and embed the implementation perspective in IAIS standard-setting work.

IAIS activities in support of implementation can be grouped into the following four categories:

- Assessment
- Capacity building
- Supervisory practices
- Supervisory cooperation and exchange

Through the Systemic Risk Assessment Task Force, the IAIS developed an interim consultation paper on an activities-based approach to systemic risk that was subsequently published for public consultation in early December. A further consultation paper is planned for year-end 2018.

Second, the IAIS contributes to global financial stability by assisting IAIS Members with enhanced macroprudential surveillance tools. The IAIS has developed a framework for macroprudential policy and surveillance in insurance. This builds on the foundation laid down in the ICPs approved in October 2011 (and revised in October 2013), and in particular on ICP 24 (Macroprudential Surveillance and Insurance Supervision), which provides the principles and standards for macroprudential policy and surveillance to be implemented by supervisors.

The IAIS also publishes the Global Insurance Market Report, or GIMAR, annually. It is an important component of the IAIS macroprudential policy and surveillance framework. The GIMAR collects and reports data reflecting the performance of primary insurers and reinsurers as well as key developments in the global insurance market from a supervisory perspective, focusing on the recent performance of the sector as well as key risks it faces.

Assessment is the strategic core of the IAIS implementation programme. Assessments provide Members with an external view of observance of IAIS supervisory material and informs the IAIS in understanding supervisory development needs for individual authorities, for regional groupings of supervisors and globally. Assessments also inform the on-going standard-setting activities of the IAIS.

Capacity building focuses on developing the capabilities of supervisors, from the staff, systems and processes perspectives, to carry out supervisory duties and gain a better understanding of the intentions and rationales underlying the ICPs. The IAIS develops training material and supports training seminars and conferences, working closely with international organisations, training institutes, technical assistance providers, regional groups and supervisors.

While capacity building focuses on developing the core competencies of insurance supervisors and enhancing supervisory knowledge and understanding, supervisory practices focus on the application of that knowledge in discharging supervisory responsibilities.

Cooperation and exchange between Members (eg supervisory colleges) and other parties (eg other standard-setting bodies)

are necessary preconditions for effective implementation and the development of supervisory practices. In this technological age, this reflects the growing reality that insurers supervised in one jurisdiction – perhaps where their head office resides – may also operate in other jurisdictions. The IAIS Multilateral Memorandum of Understanding (MMoU) – a global framework for cooperation

GLOBAL COORDINATION AND COOPERATION

The IAIS promotes global coordination and cooperation in accomplishing its mission. For example, the IAIS facilitates information exchange among supervisors through its MMoU. It also promotes global coordination and cooperation through its work with other international financial policymakers and supervisory associations. Of particular note, the IAIS is a member of the Financial Stability Board and the International Financial Reporting Standards (IFRS) Advisory Council of the International Accounting Standards Board (IASB) and is a founding partner in the Access to Insurance Initiative (A2ii).

The important role the IAIS plays in furthering global cooperation and coordination is also evident from the many organisations it participates in as a Member, Observer or partner.² The IAIS works collectively with peer organisations to support its work, eg the A2ii on implementation. However, it is important to note that these relationships do not replace IAIS resources but amplify them.

EVALUATING THE IAIS IMPACT

Evaluating the impact of IAIS work is critical to its organisational effectiveness. The principles, standards and guidance it develops and adopts are rooted in practical experience. The IAIS assesses its impact in many ways including, but not limited to, the following:

- Seeking and receiving stakeholder feedback on IAIS initiatives through the Executive Committee Dialogue, Annual Conference and Global Seminar panels, subject matter stakeholder meetings, targeted input at committee and subcommittee meetings and public background sessions.
- Conducting Self-Assessment and Peer Reviews (SAPRs) and examining the level of Member ICP observance.
- Monitoring ICP assessments conducted by the International Monetary Fund and World Bank.
- Surveying IAIS Members and stakeholders.
- Requesting and responding to Member and stakeholder comments received during public consultations.
- Field testing work products.

and information exchange between insurance supervisors – is a key tool for supporting cooperation and exchange in this context. Supervisors participating in the MMoU are in a better position to promote the financial stability of cross-border insurance operations for the benefit of consumers.

In addition, the IAIS holds two major annual global events – the Global Seminar and the Annual Conference. These encourage multilateral dialogue on IAIS workstreams and provide an important opportunity to examine issues and trends affecting insurance supervisors, insurance markets, insurance consumers and the insurance industry. The Global Seminar includes an engaging Executive Committee Dialogue with stakeholders. In 2017, the Bank of England hosted the 10th Annual IAIS Global Seminar in Old Windsor, United Kingdom. In conjunction with the Annual Conference, the IAIS also convenes a General Meeting of Members ("Annual General Meeting") to conduct official business. The Bank Negara Malaysia hosted the 24th IAIS Annual Conference in Kuala Lumpur in November.

² These include the Arab Forum of Insurance Regulatory Commissions, Asian Development Bank, ASEAN Insurance Training and Research Institute, Asian Forum of Insurance Regulators, Association of Latin American Insurance Supervisors, CESEE Insurance Supervision Initiative, Caribbean Association of Insurance Regulators, Consultative Group to Assist the Poor, Committee of Insurance Supervisors and Non-Banking Authorities, East African Insurance Supervisors Association, Financial Action Task Force, Financial Stability Institute, Global Partnership for Financial Inclusion, Group of International Insurance Centre Supervisors, International Actuarial Association (IAA), International Monetary Fund, International Organisation of Pension Supervisors, Islamic Financial Services Board, Microinsurance Network, Organisation for Economic Cooperation and Development, Toronto Centre and World Bank.

Quarter 1

- Launched emerging markets initiative
- Formed Systemic Risk Assessment Task Force
- Announced work on an activities-based assessment approach
- Initiated IAIS review of governance structure
- Held regional seminar on inclusive insurance
- Issued the Global Insurance Market Report
- Released foundational FinTech paper
- Published comprehensive Stakeholder Engagement Plan
- Approved the Systemic Risk Assessment and Policy Workplan
- Launched public consultation on ICPs/ComFrame
- Appointed successor Secretary General

Quarter 2

- Held Global Seminar in Old Windsor, UK
- Convened regional seminar on pension systems
- Released ICS field testing package and launched field testing
- Published SAPR Report on Market Conduct
- Held roundtable discussion of actuarial services project
- Hosted the Executive Committee Dialogue with stakeholders
- Held stakeholder event on an activities-based approach to systemic risk
- Completed public consultation on ICP 13
- Hosted an accounting and auditing stakeholder event
- Approved the FIRST ONE Programme project plan
- Launched a public consultation on the product oversight paper
- Consulted on the group corporate governance paper
- Approved updated Implementation Assessment Handbook
- Approved Regional Seminar Guidance

IAIS

YEAR-IN-BRIEF

2017

Quarter 4

- Approved new committee structure
- Adopted Strategic Plan and Financial Outlook workplan
- Held regional seminar on governance and risk management
- Executed global capacity building agreement on actuarial services
- Held ICS stakeholder meetings
- Held Annual General Meeting
- Adopted Revised ICPs 13, 18 and 19
- Adopted Annual Report and approved new Members
- Honoured Distinguished Fellows
- Held 24th Annual Conference in Kuala Lumpur, Malaysia to record attendance
- Jonathan Dixon succeeded Yoshihiro Kawai as Secretary General
- IAIS and the SIF agreed to collaborate on climate change paper
- Consulted on draft ICPs 8, 15, 16 and ComFrame-related material therein
- Published Group Corporate Governance paper
- Reached agreement on an ICS Version 2.0 "unified path to convergence"
- Adopted paper on product oversight in inclusive insurance
- Launched public consultation on index-based insurances paper
- Released interim consultation paper on an activities-based approach to systemic risk
- Published G-SII Disclosure – 2017 Public Report

Quarter 3

- Submitted comments on the IAASB Exposure Draft
- Held an actuarial capacity building programme
- Released ICS Version 1.0 for extended field testing
- Issued SAPR Report on Reinsurance/Macroprudential Surveillance
- Released report on Supervisory Capacity Building Needs
- Held an inclusive insurance training programme
- Held a regional seminar on corporate governance and ERM
- Hosted an accounting and auditing stakeholder event
- Published a MCCO paper on increasing access to insurance markets
- Co-sponsored consumer protection in pensions and insurance seminar



Victoria (Vicky) Saporta
(UK, Bank of England)
Chair, Executive Committee

REPORT OF THE EXECUTIVE COMMITTEE

The Annual Report provides an opportunity to take stock of the work done over the past year and discuss plans for the upcoming year. It is also a fitting time to pay tribute to our membership. I would like to thank the many Members for their investment of time and know-how and their support by serving on IAIS committees and subcommittees; and for implementing, self-assessing and peer-reviewing our material. We are a Member-driven organisation: in short, the Association is you and you are the Association.

This Association is growing in stature. Nowhere is it more evident than in the work we did in 2017 and in the record attendance at our Annual Conference in Kuala Lumpur.

This Executive Committee report is organised around what I like to refer to as the “three pillars” of IAIS strategy:

- 1. Completing the IAIS part of the post-financial crisis reform agenda.
- 2. Spotting, assessing and responding to emerging risks.
- 3. Pivoting to a broader focus on implementation and assessment.

“The Association is you and you are the Association”.

Vicky Saporta, Chair, Executive Committee

Achievements and Activities
Completing the post-crisis reform agenda

ComFrame/ICS

ComFrame is a major post-crisis IAIS initiative launched in 2013 and scheduled for delivery in late-2019. Consistent progress has been made each year towards this goal. In 2017, the Executive Committee approved successive public consultations covering several key themes within the ICPs and ComFrame. The IAIS plans to consult on ComFrame in its entirety in mid-2018.

The ICS is the quantitative pillar of ComFrame. This past year was marked by a flurry of developments that brought us several steps closer to achieving the ultimate goal of a single ICS that achieves comparable outcomes across jurisdictions. First, in June, the Executive Committee approved ICS Version 1.0 for extended field testing for publication in July 2017. This represented a significant milestone.

Then, in November, the Executive Committee reached agreement on a “unified path to convergence” that will see the implementation of the ICS conducted in two phases, with phase one being a monitoring period and phase two being its implementation as a group-wide prescribed capital requirement. This pivotal agreement responded to a call from Members and stakeholders for more clarity on what the implementation of ICS Version 2.0 will

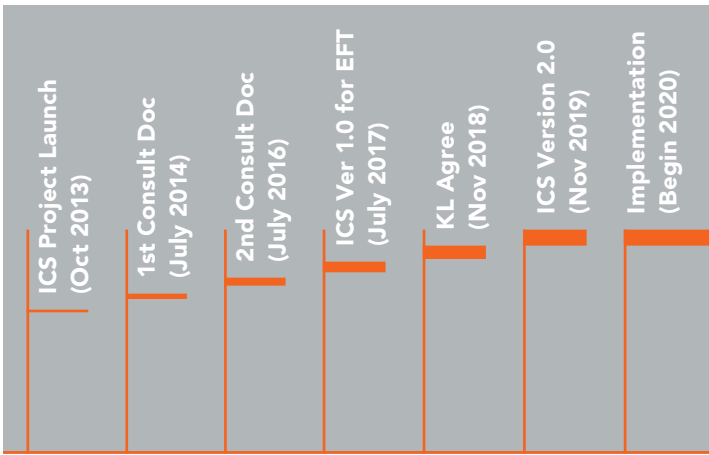


Figure 4 / Key Steps in the Development of the ICS, 2013 – 2020

mean in practice. Figure 4 shows key milestones in the ICS development process.

Financial stability

Contributing to global financial stability is another important, multi-year IAIS workstream. There were several important developments. In January, the Executive Committee created the Systemic Risk Assessment Task Force. The Executive Committee subsequently adopted the Systemic Risk Assessment and Policy

Workplan welcomed by the Financial Stability Board. The workplan has three elements:

- 1. Improving the 2016 G-SII Assessment Methodology as part of the three-year review cycle.
- 2. Ensuring cross-sectoral consistency between the insurance and banking methodologies.
- 3. Developing an activities-based approach to the mitigation of systemic risk in the insurance sector.

In line with this workplan, the IAIS is developing a holistic framework for the assessment and mitigation of systemic risk in the insurance sector. Then, in November, the Executive Committee approved an interim consultation paper on an activities-based approach to systemic risk developed by the Systemic Risk Assessment Task Force that was subsequently published for public consultation in early December. A further consultation paper is planned for year-end 2018.

Spotting, assessing and responding to emerging risks

The IAIS also must be alert to emerging risks and opportunities in the insurance sector. These can affect all of our Members. In 2017, the IAIS significantly extended its activities in several emerging areas including FinTech, cyber risk and climate change.

Fintech

In February, the Executive Committee approved the publication of a foundational paper entitled *FinTech Developments in the Insurance Industry*. Drafted by the Executive Committee’s FinTech Task Force, this paper describes the profound effect FinTech may have on insurance sector competitiveness, consumer choice, interconnectedness, business model viability and regulatory oversight. Plans are underway for the launch of a FinTech virtual forum for supervisors in 2018. An *Application Paper on the Use of Digital Technology in Inclusive Insurance* is also planned for 2018. The IAIS will also begin to identify supervisory challenges in connection with algorithms and artificial intelligence used by insurance firms.

Cyber risk

Throughout 2017, the IAIS continued its examination of cyber risk from a supervisory perspective, focusing primarily on financial integrity. The Executive Committee approved a proposal to move

forward with a follow up to the 2016 *Issues Paper on Cyber Risk to the Insurance Sector*, extending the workstream into 2018. We also collaborated with other standard-setting bodies under the auspices of the Financial Stability Board to develop a cyber lexicon. Over the course of 2018, the IAIS will likely begin expanding its inquiry into cyber risk market development, insurer resilience and any potential systemic implications.

Climate change and climate-related risks

The Executive Committee appreciates the role insurance can play in addressing climate change and responding to climate-related risks. Because of the increasing attention IAIS Members are giving to these issues, climate change and climate-related risks became a prominent part of the IAIS agenda in 2017. In November, the IAIS and the Sustainable Insurance Forum agreed to develop a joint *Issues Paper on Climate Change Risks to the Insurance Sector*, due to be released for public consultation in March 2018.

Pivoting to a broader focus on implementation and assessment

As the IAIS completes its part of the post-financial crisis framework, the focus on implementation and assessment will continue to grow. In the past five years, the Association has conducted more than 1000 assessments, involving nearly 130 Member jurisdictions.

In 2017, the IAIS completed the first cycle of ICP assessments – a process begun in 2013. In June, the Executive Committee approved new ways for the IAIS to support assessments, including a new self-assessment tool and an improved SAPR programme to be delivered over the course of 2018.

The IAIS also made meaningful in-roads into the implementation challenges faced by IAIS Members. For me, one of the highlights was signing on behalf of the Association a five-year agreement with the IAAInternational Actuarial Association and the A2ii to create a global partnership to strengthen the understanding and application of actuarial skills by supervisors. We also continued to deliver online training programmes, regional seminars and supervisory publications and explored new ways to support our membership, including through joint consultation calls and consultative forums with the A2ii.

Enhancing the Association’s engagement with Members from emerging markets was an important commitment made by the

“This well-articulated workplan will allow the IAIS to develop a comprehensive framework for the assessment and mitigation of systemic risk, building on the work carried out so far”.

Vicky Saporta, Chair, Executive Committee

Executive Committee in November 2016. To deliver on this, the Executive Committee developed and approved several actions including the creation of a dedicated leadership position to represent Members from emerging markets, the formation of an emerging markets group to advise the Executive Committee on emerging market issues, the development of a virtual platform to help keep Members informed of relevant issues and exchange views, and enhancements to IAIS relationships with key partners.

Decision-making transparency, engagement and governance

Achieving these outcomes for our Members is important, but so is how we deliver our work. Combining transparency on decision-making with robust stakeholder engagement and an inclusive and efficient governance structure has been an Executive Committee priority. Achieving this delicate balance is integral to the IAIS being recognised as the global standard-setting body for insurance and, in turn, being able to deliver on our mission.

We have made excellent progress. In February, the Executive Committee adopted an extensive stakeholder engagement plan. The Executive Committee also overhauled the IAIS govern-

ance structure, having begun a review of the current structure in January and agreeing on a new structure in October, following extensive Member comments. The Policy Development and Macroprudential Committees were created to better reflect the different functions of the IAIS mission and strategy. The remit of the Implementation Committee was enhanced to reflect the greater strategic emphasis the Association is placing on assessment. Effective 1 January 2018, it is known as the Implementation and Assessment Committee.

IAIS Members also made significant contributions to the Association's pursuit of our important mission. As we look ahead to 2018, I encourage you to remain involved in the important work being done, particularly in the development of our next five-year Strategic Plan and Financial Outlook.

The Chair of the Executive Committee currently and during the reporting period is Vicky Saporta (UK, Bank of England). Julie Mix McPeak (USA, Tennessee) and Hiroshi Ota (Japan, FSA), currently and during the reporting period serve as Vice Chairs. Wenhui Chen (China) also serves as a Vice Chair.

SUBCOMMITTEE REPORTS

FinTech Task Force

In February, the FinTech Task Force delivered its report *FinTech Developments in the Insurance Industry* to the Executive Committee. The Executive Committee established the Task Force in June 2016 for the purpose of:

- Conducting a stocktake of FinTech developments in the insurance industry and, where relevant, the broader financial sector directly related to the IAIS mission.
- Considering the possible implications of these FinTech developments on the work of the IAIS.
- Preparing a comprehensive report with findings and recommendations for a strategic approach to FinTech developments and completing possible follow-up work for Executive Committee consideration at its November 2016 meetings.

The final report includes a description of innovation drivers, a summary of current technological innovations in insurance and impacts on the insurance business, along with a sketch of the InsurTech landscape. The report also contains an analysis of the potential impact of these innovations.

The report found that FinTech innovations have the potential to deliver a wide range of improvements in cost-cutting, risk assessment, customer experience and financial inclusion. However, it

also found some innovations could threaten the traditional model in unhelpful ways for policyholder protection, while exposing the sector to greater interconnectedness and heightened cybersecurity vulnerabilities. It points to several challenges for insurance supervisors, including:

- Balancing the risks and benefits of innovations and creating an environment that fosters innovation through approaches such as regulatory sandboxes or innovation hubs.
- Evaluating and if needed, adjusting the prudential regulation framework.
- Considering the adequacy of current reporting requirements in monitoring trends and the potential build-up of risk connected to new technologies.
- Understanding how innovations work and are applied to ensure adequate assessment of new product and business models.

Following approval of the report in February, the Executive Committee disbanded the Task Force.

The Chair of the FinTech Task Force was Matthew Hayduk (USA, FRB).

Stakeholder Engagement Task Force

In January 2016, the Executive Committee created the Stakeholder Engagement Task Force for the purpose of developing the comprehensive *IAIS Stakeholder Engagement Plan*.

In February, the Task Force presented a draft plan to the Executive Committee for its approval. Following Executive Committee approval, the plan was published in March.

As stated in the Plan, "effective stakeholder engagement should ensure that stakeholders are properly consulted in the development of IAIS policy and that the opportunity for timely, substantive and high quality contributions from stakeholders is maximised".

The plan also recognises that effective stakeholder engagement "can bring valuable information to the design and implementation of successful policy solutions and further informed decision making".

The plan reflects extensive feedback from Members and stakeholders and numerous new commitments to expand IAIS engagement, with many specific to consumers, industry, academics and professional organisations.

Among the new commitments, the IAIS will:

- Publish a twelve-month schedule of major projects, together with specific timelines.
- Provide notice of stakeholder meetings 30 days in advance and agendas and meeting materials seven days in advance.
- Not only receive stakeholder input, but proactively seek and consider it.

Following approval of the report, the Executive Committee disbanded the Task Force.

The Chair of the Stakeholder Engagement Task Force during the reporting period was Julie Mix McPeak (USA, Tennessee). Kevin McCarty (former Insurance Commissioner from Florida) and Takashi Hamano (formerly with Japan, FSA) also served as Chair during the work undertaken in 2016. There was no Vice Chair.

What is "FinTech"?

"(T)echnologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services".

Financial Stability Board
16 March 2016

Supervisory Forum

Established in 2011, the Supervisory Forum provides senior insurance supervisors with an opportunity to discuss supervisory issues and approaches, trends in the insurance industry and emerging risks. Forum members include representatives from the supervisory authorities of major and developing insurance markets, with additional regional regulators invited to attend each meeting to promote engagement with the wider regulatory population.

The Supervisory Forum held two meetings and discussed a variety of topics including the supervision of international governance structures, how to deal with large insurance events, best practices in supervising emerging lines of business and the assessment of firm risk culture. Since the Supervisory Forum must support the wider work of the IAIS through discussion of the practical implementation of IAIS standards, it is considering how this can best be achieved. In addition, the Supervisory Forum, along with stakeholders, continues to explore the best way for it to provide practical supervisory insights to assist the work of other IAIS groups and the IAIS membership more broadly.

The Chair of the Supervisory Forum is Gareth Truran (UK, PRA) and Vice Chair is Joerg Krause (Germany, BaFin).

Systemic Risk Assessment Task Force

In February, the Executive Committee approved the creation of the Systemic Risk Assessment Task Force to develop the holistic framework for the assessment and mitigation of systemic risk in the insurance sector.

In December, the IAIS published the *Activities-Based Approach to Systemic Risk*, an interim public consultation paper. The IAIS expects to issue a final paper for public consultation near year-end 2018, with the project finalised a year later in 2019, for implementation in 2020.

With the establishment of the new IAIS committee structure effective 1 January 2018, the Macroprudential Committee assumed responsibility for this workstream. At that time, this particular Task Force ceased to exist and a Systemic Risk Assessment Drafting Group was created.

The Chair of the Systemic Risk Assessment Task Force was Alberto Corinti (Italy, IVASS). The Vice Chair was Steven Seitz (US, Treasury/FIO)



Elisa Liebers (USA, NAIC)
Effective 1 January 2018, Chair, Policy Development Committee (successor to the FSTC standard-setting activities). During the reporting period, she served as Acting Chair of the FSTC.

REPORT OF THE FINANCIAL STABILITY AND TECHNICAL COMMITTEE ¹

The FSTC is responsible for developing supervisory and supporting material and other documents related to insurance supervision in support of the IAIS goal of protecting policyholders and contributing to global financial stability.

In carrying out its mandate, the FSTC supported the work of nearly a dozen subcommittees, discussing and resolving complex issues and providing steer to help progress work in such areas as ComFrame, financial stability, accounting and auditing, financial crime (most notably, cyber risk), governance, market conduct, reinsurance and resolution. The committee had an extremely productive year.

Working through its subcommittees, the committee completed a number of key deliverables, with several other workstreams continuing into 2018. Key activities and achievements included the preparation and release of a major public consultation package of revised ICPs and draft ComFrame material specific to IAIGs, followed by resolution of the comments received and the adoption or endorsement of a number of the revised ICPs.

The committee also identified priority issues to be addressed before ComFrame is finalised in late 2019, such as the level of application of ComFrame requirements, the relationship between the ICS and the rest of ComFrame and various aspects of the supervisory process related to the supervision of the IAIGs.

In addition to its work on ICP revisions and ComFrame-related material, the FSTC also:

- Completed ICS Version 1.0 for extended field testing and recommended Executive Committee approval.
- Finalised the analysis of 2016 field testing data and the preparation of materials for 2017 field testing in advance of ICS Version 2.0.
- Completed the *Application Paper on Group Corporate Governance* and progressed work on several other papers.
- Completed the annual G-SII assessment exercise and the *G-SII Disclosure - 2017 Public Report*.

¹ Effective 1 January, 2018, the Financial Stability and Technical Committee ceased to exist. Its standard-setting activities were allocated to the Policy Development Committee and its financial stability activities were allocated to the Macroprudential Committee, along with those of the Systemic Risk Assessment Task Force.

Achievements and Activities
Standard-setting

Insurance Core Principles and ComFrame

The FSTC devoted a considerable amount of time to advancing IAIS work on ICP revisions and the development of ComFrame. Public consultations occurred in four waves: March, June, August and November.

On 3 March, the IAIS released for public consultation the following supervisory material grouped by thematic areas:

- Introduction to ICPs and ComFrame and Assessment Methodology.
- Governance: ComFrame material integrated into ICP 5 (Suitability of Persons), ICP 7 (Corporate Governance) and ICP 8 (Risk Management and Internal Controls).
- Supervisor and Supervisory Measures: revised ICP 9 (Supervisory Review and Reporting) and revised ICP 10 (as revised: Preventive Measures, Corrective Measures and Sanctions) as well as ComFrame material integrated into ICPs 9 and 10 [with ICPs 10 and 11 (Enforcement) combined into one ICP, ie ICP 10].
- Supervisory Cooperation and Coordination: revised ICP 3 (as revised: Information Sharing and Confidentiality Requirements) as well as revised ICP 25 (Supervisory Cooperation and Coordination), and ComFrame material integrated into ICP 25.
- Resolution: revised ICP 12 (as revised: Exit from the Market and Resolution) and ComFrame material integrated into ICP 12.

These consultation documents were the first to reflect the new structure developed through the FSTC and approved by the Executive Committee in 2016 for integrating ComFrame material into the ICP structure.

The IAIS released for public consultation revised ICP 13 (Reinsurance and Other Forms of Risk Transfer) on 1 June, and ICPs 1 (Objectives, Powers and Responsibilities of the Supervisor), 2 (Supervisor), 18 (Intermediaries) and 19 (Conduct of Business) on 30 June. On 1 August, the IAIS released revised ICP 24 for public consultation.

In the second half of 2017, the relevant FSTC subcommittees reviewed the comments received during the March, June and August public consultations.

At its meeting on 31 October, the FSTC approved the following revised ICPs from the June consultation, which were subsequently endorsed by the Executive Committee and adopted at the Annual General Meeting: ICPs 13, 18 and 19.

It also recommended Executive Committee endorsement of the draft revised ICPs related to ComFrame from the March and June consultations. Following Executive Committee endorsement, the IAIS published the following materials on its website for information purposes only, pending final adoption at the 2019 Annual General Meeting: Introduction and Assessment Methodology and ICPs 1, 2, 3, 9, 10, 12 and 25.

On 8 November, the IAIS released for public consultation the

following revised draft ICPs and respective ComFrame material integrated with these ICPs: ICP 8, 15 (Investment) and 16 (Enterprise Risk Management for Solvency Purposes).

Insurance Capital Standard

In April, the FSTC approved the 2017 Quantitative Field Testing package developed by the Capital, Solvency and Field Testing Working Group

(CSFWG). The IAIS subsequently released the package to approximately 50 Volunteer Groups participating in the field testing exercise. In June, the FSTC also approved ICS Version 1.0 for extended field testing. Following Executive Committee approval later that same month, it was released on 21 July. This document represents the achievement of a significant milestone.

Application and issues papers

The FSTC completed work on the *Application Paper on Group Corporate Governance*, which was subsequently approved by the Executive Committee and published in November. Work was also underway on the *Application Paper on Cyber Security* and the *Issues Paper on the Increasing Use of Digital Technology in Insurance and its Potential Impact on Consumer Outcomes*.

Financial stability

G-SII Assessment Exercise

The FSTC completed its G-SII assessment exercise. This included data collection from approximately 50 firms and analysis based

on the updated G-SII assessment methodology published in June 2016. The committee also approved an enhanced public disclosure report and individual insurer reports developed through the G-SII Analysts Working Group. Following Executive Committee approval, the IAIS published the *G-SII Disclosure - 2017 Public Report* on 19 December.

Global Insurance Market Report

In late January, the IAIS published the *2016 Global Insurance Market Report (GIMAR)*. In December, the Macroprudential Policy and Surveillance Working Group completed its draft 2017 GIMAR.

The Acting Chair of the Financial Stability and Technical Committee during the reporting period was Elise Liebers (USA, NAIC). The Vice-Chair was Urs Halbeisen (formerly with Switzerland, FINMA).

Effective 1 January 2018, the Chair of the Policy Development Committee is Elise Liebers and the Vice Chairs are Craig Swann (Bermuda Monetary Authority) and Paolo Cadoni (UK, PRA). The Chair of the Macroprudential Committee is Alberto Corinti (Italy, IVASS) and the Vice Chairs are Marcelo Ramella (Bermuda Monetary Authority) and Steven Seitz (USA, Treasury/FIO).

SUBCOMMITTEE REPORTS

Accounting And Auditing Working Group

The Accounting and Auditing Working Group is responsible for IAIS activities relating to accounting and auditing matters for insurers and insurance supervision, including:

- Managing IAIS external relationships with accounting and auditing bodies.
- Monitoring relevant international accounting and auditing developments.
- Submitting comment letters and other papers to accounting and auditing bodies.
- Developing, updating or providing input into the development or updating of applicable IAIS high-level principles-based supervisory and supporting material.

The Working Group submitted three comment letters on behalf of the IAIS (link): one to the IASB, commenting on its discussion paper Principles of Disclosure (October); and two to the International Auditing and Assurance Standards Board (IAASB), commenting on its paper Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics (February) and its exposure draft on the revised ISA 540 Auditing Accounting Estimates (July).

The Working Group also continued its dialogue with IASB staff on matters relating to the new IFRS 17, the insurance contracts accounting standard, and monitored IFRS 17 implementation activities. It also engaged in regular dialogue with the IAASB on its revisions to the ISA 540 Auditing Accounting Estimates, including Fair Value Accounting Estimates and Related Disclosures, and provided a representative for the IAASB's ISA 540 Task Force.

Capital, Solvency and Field Testing Working Group

The CSFWG is responsible for the following activities:

- Developing capital standards and conducting associated field testing, including the development of a global risk-based group ICS.
- Developing supervisory material in ICPs, ComFrame and G-SII policy measures related to capital and solvency.

Through the IAIS representative on the Monitoring Group,² the Working Group contributed to the development of its October public consultation *Strengthening the Governance and Oversight of the International Audit-related Standard-Setting Boards in the Public Interest*. The Working Group also developed a draft revised ICP 20 (Public Disclosures) expected to be released by the IAIS for public consultation during the summer of 2018.

Three stakeholder sessions were held to receive public input. During its March meeting, the Working Group invited interested stakeholders to participate in a teleconference for the purpose of updating them on the current status of work activities and plans going forward, as well as to gather feedback from interested stakeholders on various matters of mutual interest. Topics included implementation considerations with the then-forthcoming IFRS 17; insurer public disclosures/transparency as a regulatory tool; and initiatives to enhance insurer audit quality.

During its June meeting, the Working Group continued its March discussions with interested stakeholders.

Finally, at its September meeting, the Working Group invited interested stakeholders to participate via teleconference for an update on its work plans, to gather feedback, and to discuss a presentation provided by US non-life industry representatives on various issues relating to IFRS 17 and US GAAP requirements.

The Chair of the Auditing and Accounting Working Group currently and during the reporting period is Markus Grund (Germany, BaFin). There is currently no Vice Chair. The Vice Chair during the reporting period was Jay Muska (USA, FRB).

On 9 October 2013, the IAIS announced plans to develop a risk-based global ICS in response to the request by the Financial Stability Board to create a comprehensive group-wide supervisory and regulatory framework for IAIGs.

Throughout 2017, the CSFWG's primary focus continued to be on ICS development. The Field Testing Analysis Team completed its analysis of 2016 field testing data early in the year. The results of this analysis, together with the feedback received on the 2016 ICS

² In 2008, the IAIS, together with the Basel Committee on Banking Supervision, International Organization of Securities Commissions, European Commission and the World Bank, became founding members of the Monitoring Group. It was created to oversee the enhancement of international audit quality in order to strengthen confidence in the audit of financial statements. Since then, the Monitoring Group has expanded its membership to include the Financial Stability Board and the International Forum of Independent Audit Regulators.

consultation document, informed the development of ICS Version 1.0 for extended field testing. The IAIS released ICS Version 1.0 for extended field testing in July. It provided the rationale for the design and calibration of the ICS components and, where relevant, the various options being considered.

In January, the IAIS and its Members committed to extending field testing to all IAIGs and other interested firms. As a result, the CSFWG launched 2017 Field Testing in May to 50 Volunteer Groups – an increase of nine compared to 2016 field testing. During the data collection phase, the CSFWG published a weekly Question and Answer document for Volunteer Groups to address any questions on the requested data and for completing the Field Testing Template. Following the submission of data by Volunteer Groups in late September, the Field Testing Analysis Team began analysing the data, meeting four times from October through December. Analysis of the 2017 field testing data continued into 2018.

Financial Crime Task Force

The Financial Crime Task Force is responsible for the following activities:

- Examining issues related to cyber risks to the insurance sector, including the cyber insurance market.
- Revising ICPs 21 (Combating Fraud in Insurance) and 22 (Anti-money Laundering and Combating the Financing of Terrorism, or AML/CFT).
- Monitoring developments in AML/CFT, including work undertaken by the Financial Action Task Force.

Following up on the *Issues Paper on Cyber Risk to the Insurance Sector* published by the IAIS in August 2016, the Task Force began developing an *Application Paper on Cyber Security*, as recommended in the Issues Paper, to further explore issues related to cyber risk and, in particular, to provide insurance supervisors with further guidance.

The CSFWG also continued its extensive engagement with stakeholders. During 2017, the IAIS held three half-day public stakeholder sessions: in La Jolla, Kuala Lumpur and Basel. The stakeholder sessions in Kuala Lumpur and Basel gave stakeholders an opportunity to provide feedback on ICS Version 1.0 for extended field testing. During these two meetings, 11 stakeholder groups made formal presentations and provided feedback.

In addition to its work on the ICS, in November, the CSFWG released revised ICPs 15 and 16, ComFrame material integrated into these two ICPs, and proposed definitions of enterprise risk management-related terms, for public consultation. Comments were due in January 2018.

The Chair of the Capital, Solvency and Field Testing Working Group currently and during the reporting period is Paolo Cadoni (UK, PRA). The Vice Chair is Sanders Shaffer (USA, FRB). Tom Finnell (USA, FIO) served as Vice Chair during part of the reporting period.

In November, the Financial Crime Task Force prepared a note for presentation to the FSTC on challenges and regulatory responses in cyber risk underwriting.

The Task Force participates in various international workstreams on cyber risk and cyber security, including the CPMI/IOSCO³ Working Group on Cyber Resilience. It also has Observer status with the Financial Action Task Force⁴ and has been participating in work related to guidance on implementation of AML/CFT standards in the insurance sector, under the auspices of the Financial Action Task Force's Policy Development Committee.

The Chair of the Financial Crime Task Force currently and during the reporting period is Philip J. Goodman (USA, Treasury/FIO). The Vice Chair is Garrett Byrne (Bermuda Monetary Authority).

³ Committee on Payments and Market Infrastructures, International Organisation of Securities Commissions.

⁴ According to the Financial Action Task Force, it is "an inter-governmental body established in 1989 by the Ministers of its Member jurisdictions. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system", <http://www.fatf-gafi.org/about/>.

G-SII Analysts Working Group

The G-SII Analysts Working Group is responsible for coordinating the annual review of potential G-SIIs in accordance with the framework determined by the Executive Committee in 2016.

In particular, the Working Group:

- Provides core resources for the Analysis Team that undertakes the actual annual review and the related supervisory judgment processes.
- Prepares technical papers and procedures for review by the FSTC on specific issues related to the development of data collection instructions and implements the assessment methodology for G-SIIs before and during each annual review.
- Undertakes other activities as requested by the FSTC related to data analysis of potential G-SIIs.

Governance Working Group

The Governance Working Group is responsible for providing a framework for developing and advancing high level corporate governance principles, standards and guidance for the supervision of insurers. In particular, the Working Group:

- Recommends and provides input to standard-setting work relating to corporate governance as needed.
- Contributes to the development of the governance parts of ComFrame.
- Promotes the effective and efficient application of governance-related supervisory and supporting material.

The Working Group completed the *Application Paper on Group Corporate Governance*, as a follow-up to the 2014 *Issues Paper on Approaches to Group Corporate Governance*. The purpose of this most recent Application Paper is to create a common understanding among supervisors for assessing the governance frameworks of insurance groups. In March, a draft was released for a 60-day public consultation and subsequently presented during a public background call. Following the public consultation, the Working Group amended the draft paper. Following Executive Committee adoption of the paper in October, the Working Group held a public discussion call to discuss the final version and the resolution of the main comments received during the public consultation.

The Working Group continued to develop ComFrame material

⁵ Article 83, Global Systemically Important Insurers: Updated Assessment Methodology (16 June 2016).
⁶ Articles 81-82, Global Systemically Important Insurers: Updated Assessment Methodology (16 June 2016).

In implementing the updated G-SII assessment methodology under the guidance of the FSTC and the Executive Committee, the Working Group conducted data analysis and produced several interim reports for their review; addressed the further development of indicators, multiple counting and thresholds for G-SII identification and disclosures; and prepared an enhanced public disclosure report⁵ and individual insurer reports⁶ subsequently approved by the FSTC and the Executive Committee. The IAIS published the G-SII Public Report in December.

The Chair of the G-SII Analysts Working Group currently and during the reporting period is Sebastian von Dahlen (Germany, BaFin). The Vice Chair is Anne-Gaëlle Zimmermann (France, ACPR).

related to governance issues, integrated into ICPs 5, 7, and 8. In addition to changes in style and structure resulting from the integration exercise, the revisions to ComFrame material took into account the overall outcome of the 2014-15 qualitative field testing exercise and the revised ICPs (November 2015). In March, the IAIS released the draft material for a 90-day public consultation and held a public background session. In the second half of 2017, the Working Group processed the feedback received from the public consultation.

The Working Group also revised ICP 8, with the aim of removing overlap and duplication between ICPs 8 and 16. Following the revision of ICP 8, the Working Group integrated relevant parts of the 2014 draft ComFrame into revised draft ICP 8. On 8 November, the IAIS released revised ICP 8, and the additional ComFrame material integrated into this ICP, for public consultation. The IAIS then organised a public background session in November to present the consultation package to stakeholders.

Over the course of its deliberations, the Working Group invited several public and private sector representatives to make presentations with the aim of enhancing the quality of the work product and the level of Working Group expertise.

The Chair of the Governance Working Group currently and during the reporting period is Annick Teubner (DNB). There is no Vice Chair. Michael J. Newman (USA, Treasury/FIO) was the Vice Chair during most of reporting period.

Insurance Groups Working Group

The Insurance Groups Working Group is responsible for providing a framework for developing and advancing efficient and effective group-wide supervision. In particular, the Working Group:

- Develops and maintains a comprehensive and cohesive set of IAIS supervisory and supporting material on insurance group-wide supervision.
- Contributes to the development of ComFrame.
- Facilitates efficient and effective implementation of standard-setting through the promotion and support of mechanisms such as supervisory colleges, supervisory cooperation and exchange of information.
- Provides a forum for discussion and information-sharing on issues related to the supervision of insurance groups and financial conglomerates from an insurance perspective.

In 2017, the Working Group focused on two primary activities: revising ICPs 3 and 25, and developing the ComFrame material integrated into ICPs 9, 10 and 25.

ICPs 3 and 25 were revised to improve internal consistency in the use of language and terminology and to remove overlaps. ICP 26 (Cross-border Cooperation and Coordination on Crisis Management) was restructured with part of it moved to ICP 25 and the remainder to ICP 12. The proposed ICP revisions were the subject of a 90-day public consultation beginning 3 March, and further explained during a public background call organised by the IAIS shortly after the launch of the public consultation. Following the public consultation, the Insurance Groups Working Group reviewed the comments received and amended the draft revised ICPs. In November, the IAIS published revised draft ICPs 3 and 25 on the IAIS website as Executive Committee-endorsed drafts for information purposes pending final adoption at the Annual General Meeting in 2019.

Macroprudential Policy And Surveillance Working Group

The Macroprudential Policy and Surveillance Working Group is responsible for the following activities:

- Monitoring the financial and macroeconomic market, focusing on the potential impact on the insurance sector.
- Developing a macroprudential policy framework for consideration by the FSTC, including the development of a global macroprudential surveillance framework and assessment of tools to identify, assess, monitor and mitigate the adverse consequences of any systemic risk to be used by supervisors, adapted, as required, for their jurisdictions.

In early 2017, the Working Group finalised the integration of relevant parts of the 2014 draft ComFrame into ICPs 9, 10 and 25. In addition to making changes in style and structure as a result of the integration exercise, the Working Group revised the text to improve clarity and consistency in language and terminology. The changes proposed also implement the June 2014 Executive Committee decision that supervisors should be required to have direct powers over a financial holding company of an internationally active insurance group. This ComFrame material was released for public consultation on 3 March for 90 days, and presented during a public background call organised by the IAIS later that same month. In the second half of 2017 the Working Group focused on analysing comments received during the public consultation and revising the ComFrame text on the basis of the comments received.

In 2016, the FSTC had requested the Insurance Groups Working Group to consider whether or not further material should be developed to provide clarity on which group entity should be treated as the head of an internationally active insurance group for ComFrame purposes. Based on information received during the 2016 field-testing exercise and 2016 ICS consultation as well as from other sources, the Working Group considered issues related to the scope of the internationally active insurance group and, in particular, principles which could clarify the identification of the head of an internationally active insurance group. The outcome of this work will be reflected in the public consultation on ComFrame in its entirety slated for mid-2018, subject to FSTC and Executive Committee approval.

The Chair of the Insurance Groups Working Group currently and during the reporting period is Tom Crossland (UK, PRA). The Vice Chair is Justin Schrader (USA, Nebraska) who succeeded Christine Neighbors (USA, Nebraska) as Vice Chair during the reporting period.

In carrying out its mandate to monitor the financial and macroeconomic market, the Working Group uses two primary tools: the Key Insurance Risks and Trends (KIRT) survey of IAIS Members and the annual GIMAR.

Forty-four jurisdictions accounting for nearly 87% of global insurance premiums completed the KIRT survey. The Working Group presented the KIRT findings to the FSTC in June.

The GIMAR is a collection of data and analyses reflecting the performance of primary insurers and reinsurers and describes key developments in the global insurance market from a supervisory perspective. It focuses on the recent performance of the insurance

sector and the key risks it faces. In late January, the IAIS published the 2016 GIMAR. The report found that, while continuing to remain well-functioning and stable, the (re)insurance sector operates in an increasingly difficult macroeconomic and financial environment characterised by weak global demand, low inflation rates, very low interest rates, and bursts of financial market volatility. The Working Group completed the draft 2017 GIMAR in December, with publication planned for early 2018.

The Working Group also revised ICP 24 (Macroprudential Surveil-

Market Conduct Working Group

The Market Conduct Working Group is responsible for the following activities:

- Developing and enhancing IAIS high-level principles-based supervisory and supporting material in relation to market conduct supervision.
- Coordinating with other international bodies dealing with market conduct of insurers and intermediaries and financial consumer protection.

In 2017, the Working Group reviewed ICPs 18 and 19. Both were updated in light of market and supervisory developments, taking into account the results of a SAPR of participating IAIS Members. These revised ICPs were adopted by the General Meeting on 2 November.

Following discussions with the FSTC, the Working Group began developing an *Issues Paper on the Increasing Use of Digital Technology in Insurance and its Potential Impact on Consumer Outcomes*. This paper focuses on distribution, including benefits and potential risks to fair treatment and appropriate consumer protection. In 2018, it also will begin work on an *Issues Paper on the Use of Personal and Other Information in the Conduct and Supervision of Insurance*. This paper will explore issues related to the use of personal and other information in conducting insurance

Reinsurance Task Force

The Reinsurance Task Force is responsible for the following activities:

- Commenting on the draft questionnaire for, and reviewing the findings of, the SAPR on ICP 13.
- Proposing amendments to ICP 13 to allow for the SAPR findings and other current market developments.

The IAIS formed the Reinsurance Task Force in mid-2016 to complete the review of ICP 13.

In drafting revisions, the Task Force concentrated its focus on a

lance and Insurance Supervision), and through the IAIS, launched a public consultation on 1 August, followed by a public background session on 14 September. The ICP revisions will be finalised in conjunction with IAIS work on its holistic framework for the mitigation of systemic risk planned for completion in 2019.

The Chair of the Macroprudential Policy and Surveillance Working Group during the reporting period was Edward Toy (USA, NAIC). There is currently no Chair.

business and its supervision, including its impact on consumers.

As part of the development of the *Issues Paper on the Increasing Use of Digital Technology in Insurance and its Potential Impact on Consumer Outcomes*, the Working Group invited key stakeholder groups to attend its meeting in September in Tokyo to share views on the impact of digitalisation on consumer outcomes and on conduct supervision.

The Working Group provided comments on the draft *Application Paper on Product Oversight in Inclusive Insurance* and the draft *Application Paper on Digital Technology in Inclusive Insurance* prepared by the Financial Inclusion Working Group.

An important element of its work is information sharing on conduct of business-related developments in Member jurisdictions. The Working Group continues to be an important platform for information sharing between insurance supervisors with a mandate in conduct of business supervision.

The Chair of the Market Conduct Working Group is Michael Saadat (Australia, ASIC). He served as Vice Chair during the reporting period before becoming Chair. Olivier Fliche (France, ACPR) served as Chair for most of the reporting period. The Vice Chair is Michael Sicsic (UK, FCA).

number of key areas including the relationship between the reinsurance programme and business strategy, board involvement and oversight, asset and premium localisation, supervisory recognition and the transfer of insurance risk to the capital markets. The revised draft ICP was subject to a public consultation throughout June and July. The comments received assisted the Task Force in refining its draft. The IAIS membership approved the revised ICP at the General Meeting in November.

After completing its mandate, the Task Force was disbanded during the reporting period. The Chair of the Reinsurance Task Force was Marcelo Ramella (Bermuda Monetary Authority). There was no Vice Chair.

Resolution Working Group

The Resolution Working Group is responsible for addressing matters relating to the resolution of insurers. In particular, the Working Group:

- Develops and maintains supervisory material related to the recovery⁷ and resolution⁸ of insurers.
- Deals with resolution related standard-setting matters initiated by the Financial Stability Board.
- Represents the IAIS at resolution-related working parties within the Financial Stability Board.

The Working Group continued to focus on the development and revision of supervisory material related to both recovery and resolution. This is included in ICPs 10 and 12, and ComFrame material integrated in these ICPs. These ICPs now include Standards and Guidance on recovery and resolution plans, and on powers available to supervisors and/or resolution authorities in the resolution of insurers, including internationally active insurance groups.

In March, this material was published for consultation as part of a broader consultation package on ICP and ComFrame. In the second half of 2017, the subcommittee worked on the resolution of public consultation comments received, and revised the drafts accordingly. Consequently, in November 2017, the IAIS published revised draft ICP 12 for information purposes only. The subcom-

Supervisory Material Review Task Force

The Supervisory Material Review Task Force is responsible for the following activities:

- Reviewing and drafting amendments to the ICP Introduction and Assessment Methodology (including addressing the pre-conditions and the approach to proportionality in the ICPs).
- Reviewing and proposing amendments to ICPs that are not under the responsibility of a specific subcommittee.
- Commenting on proposed new and amended supervisory material (eg ICPs, ComFrame and G-SII policy measures) by other subcommittees to ensure consistency in approaches and drafting styles, including proposing resolution of double/multiple jeopardy issues.
- Discussing, providing steering on and/or proposing solutions to overarching issues and issues of general concern in the supervisory material under review, particularly on how proportionality should be reflected in the supervisory material.

mittee continued to work on the ICP and ComFrame material on recovery planning and the ComFrame material integrated into ICP 12. This is expected to be published as part of the public consultation on ComFrame in its entirety in July 2018.

The Working Group also evaluated whether or not loss absorbing capacity is needed as a G-SII policy measure for resolution. In June, the IAIS confirmed its earlier decision from 2016 not to establish a common minimum standard for loss absorbing capacity in resolution for G-SIIs at that time. Once facts have developed further, including the development of resolution strategies based on the Financial Stability Board's *Key Attributes for Effective Resolution*, the Working Group will reassess loss absorbing capacity in resolution.

The Working Group also closely followed Financial Stability Board development of a consultative document on the *Key Attributes Assessment Methodology for the Insurance Sector* published in December. The Working Group coordinated within the IAIS to provide feedback to the Financial Stability Board on its draft consultative document.

The Chair of the Resolution Working Group is Alex Hart (USA, Treasury/FIO) who served as Vice Chair during the reporting period. The Vice Chair is Francois Tempé (France, ACPR). The Working Group was chaired by Urs Halbeisen (formerly with Switzerland, FINMA) during the reporting period.

The Task Force worked on revisions to ICPs 1, 2, 9 and 10. The IAIS published ICPs 9 and 10, and ICPs 1 and 2, for public consultation in March and June, respectively. After resolving the comments received from Members and stakeholders, the Task Force presented the further revised ICPs and ICP Introduction and Assessment Methodology to the Executive Committee for endorsement, then adoption at the General Meeting in November. The IAIS subsequently published the endorsed material on its website for information purposes only pending final adoption at the 2019 Annual General Meeting:

The Task Force also reviewed and provided input into ICP revisions and the development of new ComFrame-related material prepared by other subcommittees. This relates to all supervisory material either endorsed (ICPs 3, 12, 25), adopted (ICPs 13, 18, 19) or published for consultation (eg ComFrame integrated into ICPs 5, 7, 8, 9, 10, 12 and 25, and ICPs 8, 15 and 16) during 2017.

The Chair of the Supervisory Material Review Task Force currently and during the reporting period is Ryan Workman (USA, NAIC). There is no Vice Chair.

⁷ The term "recovery" relates to situations of severe stress where the insurer itself still has options to restore financial strength and viability.
⁸ The term "resolution" relates to a situation in which an insurer is no longer viable, or is likely to be no longer viable, and has no reasonable prospect of returning to viability. In this situation, the supervisor and/or resolution authority will take necessary resolution actions.



Mr José G. (Pepe) López Hoyo (Mexico, CNSF)
Effective 1 January 2018,
Chair, Implementation and
Assessment Committee. Ekrem
Sarper (USA, NAIC) served as
Acting Chair of the Implemen-
tation Committee during the
reporting period.

REPORT OF THE IMPLEMENTATION COMMITTEE

Implementation activities support our standing-setting mandate and are critical to achieving effective and globally consistent supervision.

The Implementation Committee reviewed and revised the Coordinated Implementation Framework. The key objectives of this exercise were to examine whether or not external developments necessitated a further revision, determine the next steps to enhance the IAIS implementation programme and identify approaches to enhance engagement with the Emerging Market and Developing Economy Members. As a result of this review, the committee updated the Common Implementation Framework to reflect additional emphasis on identifying the IAIS role in supporting implementation and establishing the specific steps required to strengthen the engagement of Emerging Market and Developing Economy Members within IAIS activities. In 2018, the revised Common Implementation Framework will be finalised and presented to the Implementation and Assessment Committee⁵ for approval and then to the Executive Committee for endorsement.

Achievements and Activities
Assessments

The IAIS conducts the SAPR programme to assess ICP observance levels by Members, taking into account the regulatory frameworks and supervisory practices. This programme is at the core of IAIS implementation activities. It not only identifies gaps in adopting and implementing ICPs, but also strengthens ICP observance and understanding. The IAIS publishes aggregate findings from the SAPR assessments on its website.

These reports provide a global and regional picture of implementation of agreed standards and constitute a key component of the feedback loop between IAIS standard-setting and implementation activities. The relevant IAIS working groups consider the assessment results in their work; in particular, whether or not any ICPs require further revisions.

“Assessments provide a critical insight into the state of implementation and are valuable for identifying demand for capacity building and training needs”.

Hannah Grant, A2ii Head of Secretariat

⁵ Effective 1 January, 2018, the Implementation Committee is renamed the Implementation and Assessment Committee and its mandate amended.

The IAIS updated the *Handbook for Assessing Implementation of IAIS Supervisory Material* to reflect the current practice for assessing ICPs and conducting reviews of supervisory materials. In March, the IAIS began work on the phase 1 assessment of the implementation of G-SII Policy Measures and Supervisory Colleges. This report is scheduled for publication in 2018. In May, the IAIS published the *SAPR Aggregate Report on Market Conduct*, covering ICPs 18 and 19. In August, it published the *SAPR Aggregate Report on Reinsurance and Macroprudential Surveillance*, covering ICPs 13 and 24.

The IAIS achieved a major milestone in completing the first cycle of SAPR assessments since programme inception in 2012. Table 1 shows the year in which each assessment began and the number of participating authorities.

The IAIS has assessed 21 ICPs, including more than 190 Standards and involving the participation of nearly 130 authorities. An average of approximately 70 authorities have participated in each assessment, representing all IAIS regions and varying levels of insurance and economic market development.

In 2018, the Implementation and Assessment Committee will launch a pilot project involving three distinct and complementary processes to strengthen and enhance the IAIS assessments. It will also launch the Peer Review Process for two thematic areas: Mandate and Supervisory Powers (ICPs 1 and 2) and Corporate and Risk Governance (ICPs 4, 5, 7 and 8).

	YEAR STARTED	THEMATIC AREA	ICPs	AUTHORITIES	STANDARDS
	2012	Mandate and Supervisory Powers	1, 2	82	17
	2012	Group-wide Supervision	23	59	3
	2013	Corporate and Risk Governance	4, 5, 7, 8	69	34
	2014	Supervisory Measures	9, 10, 11	68	25
	2015	Reinsurance and Macroprudential Surveillance	13, 24	77	13
	2015	Market Conduct	18, 19	69	20
	2015	Solvency and Solvency-related Issues	14-17, 20	78	61
	2016	Information Exchange and Supervisory Cooperation	3, 25	70	21

Table 1

“I was delighted to be part of the task force which reviewed the IAIS approach to assessing ICP observance in early 2017. Given the International Monetary Fund’s increasing focus on macrofinancial aspects, I am pleased the Executive Committee agreed to our recommendations to enhance IAIS assessment tools. Our standards can only be useful if they are applied by Member jurisdictions”.

William Mason, Director General,
Guernsey Financial Services Commission

IAIS ASSESSMENTS: KEY ACHIEVEMENTS

- Nearly 130 authorities have participated in at least one SAPR assessment since 2012.
- An average of approximately 70 authorities have participated in a SAPR, representing all IAIS regions and varying levels of insurance and economic market development.
- 21 ICPs, including more than 190 Standards, have been assessed in the SAPR programme.
- The SAPR has been recognised as a robust assessment tool by the Financial Stability Board, the International Monetary Fund and the World Bank.

Table 2

Capacity Building

The IAIS is neither a technical assistance provider nor a training institute. The IAIS uses a collaborative partnership model to support Member capacity building and develop and deliver needed training to insurance supervisors. Partners include organisations such as the Financial Stability Institute, the A2ii and various regional and international financial institutions

Before capacity building services can be provided, needs must be identified. In 2017, the IAIS conducted a supervisory capacity building needs survey and published the *Supervisory Capacity Building and Development Needs Survey Results Report*. The needs survey identified key challenges for insurance supervisors and areas where capacity building is needed. As a direct result of this survey, the IAIS signed a five-year agreement with the IAA and the A2ii to create a global partnership to strengthen the understanding and application of actuarial skills by supervisors.

The IAIS also identifies needs through regional engagement. As an example, the IAIS, along with Sub-Saharan supervisors and regional supervisory authorities, collaborated with the A2ii in developing a regional implementation plan for Sub-Saharan Africa. The plan details supervisory capacity building needs and includes a list of activities the A2ii plans to conduct over the next few years to address these needs.

“The Sustainable Insurance Forum has been developing some very useful supervisory tools but lacked a platform and reach. The IAIS has stepped in to help it overcome these challenges and use this opportunity to provide capacity-building tools to its extensive network of supervisors, especially in developing and emerging economies”.

Geoff Summerhayes, Executive Board Member,
Australian Prudential Regulation Authority

Regional seminars

The IAIS provided financial support for and, together with other organisations, co-organised eight regional seminars on diverse insurance-related topics, with approximately 460 insurance supervisors participating in discussions on insurance supervision and supervisory cooperation. See Table 3. Since 2013, approximately 2100 supervisors and insurance professionals have participated in IAIS-sponsored regional seminars.

Date	Location	Host / Organisers	Seminar title	Date	Location	Host / Organisers	Seminar title
30 January – 3 February	Kingston, Jamaica	Host: Financial Services Commission of Jamaica Organisers: A2ii, Toronto Centre and IAIS	Inclusive Insurance (Microinsurance) Training Program for Supervisors in the Caribbean Region	18 – 19 September	Bratislava, Slovakia	Host: National Bank of Slovakia Organisers: International Organisation of Pension Supervisors, OECD and IAIS	Joint IAIS-IOPS-OECD-NBS Conference on Consumer Protection in Insurance and Pensions - Consumer protection trends in pensions and insurance
17 – 18 April	Santiago, Chile	Host: Superintendence of Securities and Insurance) Organisers: International Association of Supervision of Pension Funds, ASSAL and IAIS	Insurance Regulation and Supervision in Latin America and IAIS-ASSAL Conference (Theme: Pension Systems: Challenges and Perspectives – The Role of Insurance Companies and Pension Fund Administrators)	17 – 19 October	Windhoek, Namibia	Host: Namibia Financial Institutions Supervisory Authority Organisers: Financial Stability Institute and IAIS	Regional Seminar for insurance supervisors in Sub-Saharan Africa on governance, risk management and reinsurance
4 – 8 September	Dar es Salaam, Tanzania	Host: Tanzanian Insurance Regulatory Authority Organisers: A2ii, Toronto Centre and IAIS	Tanzanian Insurance Regulatory Authority - A2ii - IAIS - Toronto Centre Inclusive Insurance Training Programme for Supervisors	29 November – 1 December	Montevideo, Uruguay	Host: Central Bank of Uruguay Organisers: ASSAL and IAIS	ASSAL-IAIS Regional Seminar on Training for Insurance Supervisors of Latin America
5 – 7 September	México City, México	Host: National Insurance and Surety Commission (CNSF, Mexico) Organisers: ASSAL, Financial Stability Institute and IAIS	Regional seminar for insurance supervisors in Latin America on Corporate Governance and Enterprise Risk Management	21 – 23 December	Hamilton, Bermuda	Host: Bermuda Monetary Authority (BMA) Organisers: The Group of International Insurance Centre Supervisors (GIICS) and IAIS	GIICS Mid-Level 3-Day Training Session

Table 3

In addition to sponsoring eight regional seminars, the IAIS, together with the Asian Development Bank, and the Asian Forum of Insurance Regulators (AFIR), also co-organised a supervisory capacity building programme focused on developing actuarial capacity among insurance supervisors from 17-21 July. The China Insurance Regulatory Commission hosted the programme. It addressed the actuarial services delivered to companies and supervisors and how supervisors can use the outcomes from these services. The context was prudential supervision and risk management of insurers. It was the largest training programme ever conducted under the Asian Development Bank's three-year technical assistance programme entitled *"Thematic Self-Assessment and Peer Review of IAIS Insurance Core Principles and Standards for Asia and the Pacific"*. Following this event, the Asian Development Bank in Manila hosted a High-level Roundtable Meeting for senior supervisors in the region, reaffirming the need for capacity building in supervisors, particularly in actuarially related areas, and encouraging the development of long-term initiatives, both regionally and globally.

The IAIS also supported a peer learning workshop organised by the A2ii and hosted by the Namibia Financial Institutions Supervisory Authority on 16 October in Windhoek, Namibia. The work-

shop, entitled *"Risk-based Solvency and the Use of Early Warning Indicators to Identify Emerging Solvency Risks"*, gave participants an opportunity to share their experiences in assessing and monitoring solvency using a risk-based approach. Representatives from the National Insurance Commission in Ghana and the Financial Services Board of South Africa provided case studies. This was followed by a Tour de Table where participants from other supervisory authorities shared their experiences in moving to a more risk-based approach to assessing and monitoring insurer solvency in their countries. Thirteen representatives from insurance supervisory authorities from six countries across Sub-Saharan Africa attended the workshop. It was held alongside the Financial Stability Institute training seminar on risk-based supervisory practices, risk management and governance.

The demand for IAIS financial support continues to grow as more regions look to organise seminars specific to their needs. In June, the IAIS updated its guidance for organising regional seminars.⁹

"Consultative forums are a dynamic platform for discussion and exchange between policymakers and the industry with the goal of fostering knowledge and understanding around topics related to the development of the inclusive insurance market".

A2ii Annual Report 2016-2017

⁹ Regional Seminar Guidance, <https://www.iaisweb.org/page/supervisory-material/implementation-and-capacity-building/reports/file/67263/regional-seminar-guidance-final>

Consultative forums

In addition to regional seminars, the IAIS provided support for three A2ii consultative forums:

- **"Exploring challenges in scaling up insurance as a disaster resilience strategy for smallholder farmers", Singapore (March).**
- **"Scaling up agricultural index insurance in Africa: Building disaster resilience of smallholder farmers", Kampala, Uganda (May).**
- **"Scaling up insurance as a disaster resilience strategy for smallholder farmers in Latin America", Lima, Peru (November).**

Across these three events, 193 supervisors, policy makers, industry representatives and interested stakeholders came together to learn from each other and share experiences. The events in Uganda and Peru were also live-streamed. This enabled an additional 1054 people to take part remotely.

In partnership with the IAIS, the Toronto Centre and local partners, the A2ii also delivered two week-long training seminars on inclusive insurance regulation for supervisors:

- **34 supervisors from 16 countries in the Caribbean Region attended the Programme in Kingston, Jamaica (January).**
- **34 supervisors from 11 countries in Sub-Saharan Africa participated in the training hosted by the Tanzanian Insurance and Regulatory Authority in Dar es Salaam, Tanzania (September).**

Core curriculum

The Implementation Committee, working through the Core Curriculum Task Force, is undertaking a comprehensive multi-year review and update of the Core Curriculum. This is a comprehensive resource tool for supervisors supporting an improved understanding of concepts and issues discussed in IAIS supervisory material. This material is being updated by supervisors for supervisors. More than 90 individuals from over 40 jurisdictions have volunteered their time and expertise to this project.

Technical assistance

To enhance the actuarial skills of supervisory authorities, the IAIS entered into a five-year global agreement with the A2ii and the International Association of Actuaries in November. The key outcomes will include the development and delivery of supervisory capacity building training programmes to support supervisors making better use of actuarial information and services. This will help to address a long-standing need of insurance supervisors and directly benefit the supervisors and the insurers they supervise.

For the fourth year, the IAIS and the Financial Stability Institute jointly offered an online training course (FIRST ONE Programme) for professionals new to insurance supervision. The FIRST ONE Programme uses an innovative web-based programme approach to deliver live webinars and self-directed FSI Connect modules over a four-month period.



Vicky Saporta, Chair, IAIS Executive Committee; Peter Braumüller, Chair, A2ii Governing Council; and Thomas Terry, President, IAA, execute a global agreement to enhance the actuarial skills of supervisory authorities.

IAIS CAPACITY BUILDING: KEY ACHIEVEMENTS

- From 2013-17, approximately 2100 supervisors and insurance professionals participated in IAIS-sponsored capacity building events.
- In 2017, the IAIS sponsored eight regional seminars with approximately 460 insurance supervisors participating.
- Approximately 90 insurance professionals from 40 jurisdictions have volunteered to review and update the Core Curriculum.
- Entered into a partnership with the A2ii and IAA to support the development of actuarial skills among supervisory oauthorities.

Table 4

The IAIS also joined with the A2ii and Inter-African Conference of Insurance Markets to organise the Mobile Insurance Conference on 23-24 February in Douala, Cameroon. One hundred participants from 26 countries discussed the opportunities and risks associated with using mobile technologies to enhance access to insurance for low-income populations. The launch of the new A2ii report, *Regulating Mobile Insurance: Status and Regulatory Challenges*, was a conference highlight. The report explores the risks and opportunities of mobile insurance, drawing on the experiences of 26 jurisdictions.



More than 100 people attended the first Mobile Insurance conference. The conference was held in Douala, Cameroon from 23-24 February and organised by the IAIS, A2ii and the African Conference on Insurance Markets.

Supervisory Practices

To address Member needs, the IAIS develops guidance papers and works closely with implementation partners such as the A2ii to support supervisors in addressing challenges in the development and implementation of proportionate frameworks for regulation and supervision.

The IAIS released the *Application Paper on the Regulation and Supervision of Mutuals, Cooperatives and Community-based Organisations in Increasing Access to Insurance Markets*¹⁰ and the *Application Paper on Product Oversight in Inclusive Insurance*, both of which originated in Implementation Committee subcommittees.¹¹

Through its Financial Inclusion Working Group, the Implementation Committee continued to progress the *Application Paper on Digital Technology in Inclusive Insurance*, the *Application Paper on Proportionate Prudential Requirements in Inclusive Insurance Markets* and the *Issues Paper on Index-based Insurance*. These are expected to be completed in 2018.

The IAIS also helped organise six bi-monthly consultation calls conducted by the A2ii on the following topics:

- "Reinsurance" (26 January)
- "Measuring Insurance Development: Beyond the Insurance Penetration Rate" (23 March)
- "The Importance of Insurance Regulation in Disaster Resilience" (8 May)
- "Proportionate Approaches to Disclosure of Information" (20 July)
- "Supervising InsurTech" (21 September)
- "Supporting responsible MSME insurance" (16 November)

These calls serve as a virtual exchange platform for insurance supervisors to discuss current regulatory and supervisory topics and trends around access to insurance. They are held in English, French and Spanish. Supervisors from 64 countries participated in these calls. Feedback from these calls are put to use in IAIS supervisory practice work. The A2ii subsequently released reports for each of these calls.

Supervisory Cooperation and Exchange

The IAIS promotes supervisory cooperation and information exchange among its Members through the MMoU. The MMoU establishes a framework for global cooperation and information exchange among insurance supervisors. The Signatories Working Group and the Secretariat manage the application and approval process for signatories.

By year-end 2017, there were 64 Signatories to the IAIS MMoU representing nearly 71% of the worldwide premium volume.¹²

¹² <https://www.iaisweb.org/page/supervisory-material/mmou/mmou-signatories>

Looking Ahead

As part of its pivot towards a broader focus on implementation, the IAIS will continue to build on its accomplishments. In recognition of this dynamic environment, the Implementation and Assessment Committee will continue to strengthen assessment processes, support implementation of IAIS supervisory material, develop supporting material, enhance capacity building activities for Members and promote supervisory cooperation.

Jose G. (Pepe) Lopez Hoyo (Mexico, CNSF) serves as Chair of the Implementation and Assessment Committee. Ekrem Sarper (USA, NAIC) and Li Tang (China, CBIRC) currently serve as Vice Chairs. During part of the reporting period, Jonathan Dixon (formerly with South Africa, FSB) served as Chair of the then-Implementation Committee, with Ekrem Sarper (USA, NAIC) having served as Acting Chair for the remainder.

SUBCOMMITTEE REPORTS

Supervisory Practices

The Core Curriculum Task Force manages the review and refresh of the Core Curriculum material. It began its work in 2016. The Core Curriculum is a comprehensive resource tool for supervisors supporting an improved understanding of concepts and issues discussed in IAIS supervisory material. With 90 individuals from approximately 40 jurisdictions contributing to this project, the Task Force continued to make significant progress. Phase 1 will be launched in mid-2018.

The Core Curriculum covers concepts, relationships and supervisory practices underpinning the successful implementation of the ICPs in jurisdictions across the globe. They are not intended to provide detailed guidance on the specifics of implementing ICPs or their component Standards, but rather to provide readers with resources to help them better understand the underlying concepts, terminology and interactions supporting their successful implementation of the ICPs. The material is being updated by supervisors for use by supervisors.

Phase 1 of the project conducts a light review, edits text, reformat material, clarifies the relationships with the current ICPs, and

makes recommendations for further review and enhancement to follow in phase 2. There are nearly 40 modules and a large case study being reviewed in phase 1.

Phase 2 includes an in-depth review of the current modules with the intent of updating them and expanding them to cover the full set of current ICPs (which have evolved considerably since 2003). Consequently, in some cases there will be substantive changes and additions.

Resources permitting, additional examples and case studies and some discussion of supervisory practices will be included. Initial work on some phase 2 modules also began in 2016 and continued throughout 2017. Phase 2 is expected to require several years to complete. A further key aspect of phase 2 is an emphasis on making the Core Curriculum modules more accessible to readers.

The Chair of the Core Curriculum Task Force currently and during the reporting period is Li Tang (China, CBIRC). The Vice Chair is Marcelo Ramella (Bermuda Monetary Authority)

THE CORE CURRICULUM PROJECT

Benefitting all IAIS Members, from both emerging and more developed markets.

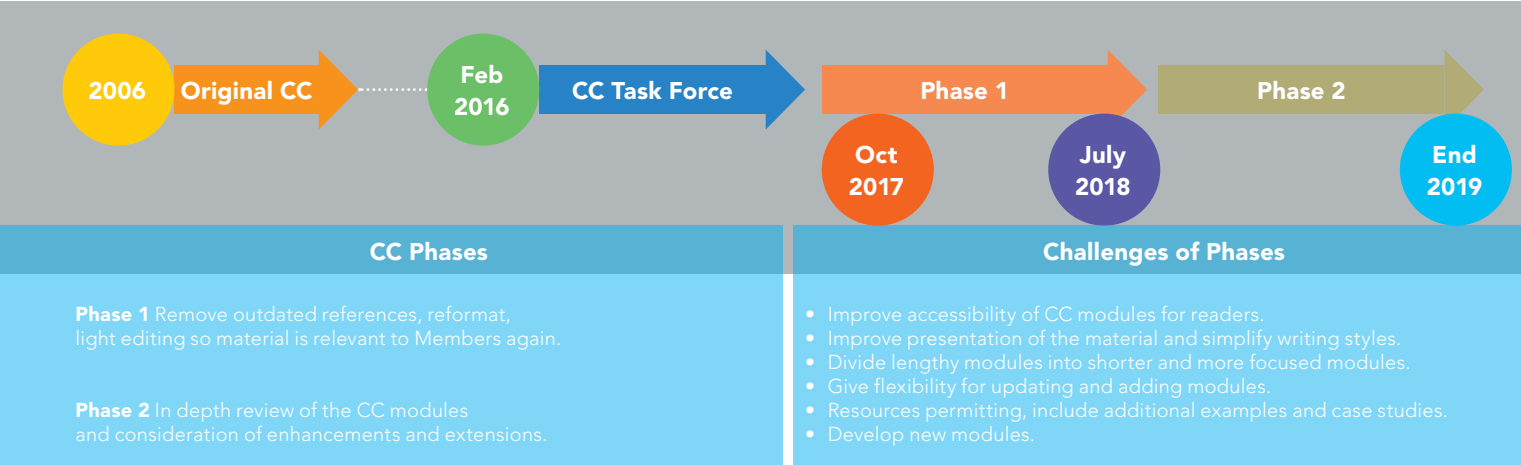


Table 5

Financial Inclusion Working Group

The Financial Inclusion Working Group is responsible for:

- Developing supervisory, supporting and other material related to financial inclusion and other forms of insurance as necessary to identify, explore or address specific implementation issues.
- Promoting the work of other standard-setting bodies and other third party organisations.
- Enhancing and promoting the capacity of policymakers, regulators and supervisors seeking to advance insurance market access for low income consumers.
- Supporting the Implementation Committee in developing positions to inform IAIS representatives on the A2ii governing bodies.
- Holding joint meetings, following developments and liaising with other organisations and initiatives involved in financial inclusion, or other specific forms of insurance.

The Working Group, through its various drafting groups, completed the following supporting material:

One, the *Application Paper on the Use of Mutuals, Cooperatives and Community-based Organisations in Increasing Access to Insurance Markets*. Adopted in September, this paper provides application guidance on the way in which ICPs could be applied in a proportionate manner, recognising the specific features of

mutuals, ooperatives and community-based organisations. This should contribute to removing unnecessary barriers by disproportionate regulation and supervision, while protecting policyholders. In addition, the paper is intended to raise awareness among policymakers, regulators and supervisors of the role these types of organisations can play in enhancing access to insurance.

Two, the *Application Paper on Product Oversight in Inclusive Insurance*. Adopted in November, this paper provides application guidance to inform supervisors, policymakers and market participants of ways to implement and apply the ICPs relevant to product oversight in inclusive insurance. The paper defines "product oversight" as "different sets of regulations, supervisory tools and processes used by supervisors to ensure the fair treatment of customers by insurers, while designing, advertising, selling and exercising other rights and obligations arising out of insurance products".

The Working group progressed several other papers.

One, the *Issues Paper on Index-based Insurances*. As index-based insurance is increasingly looked at as a means to manage weather and catastrophic events, support food security and enhance access to insurance, this paper provides background on this product, describes practices and actual examples and identifies related regulatory and supervisory issues and challenges. Adoption is planned for mid-2018).

Two, the *Application Paper on the Use of Digital Technology in Inclusive Insurance*. This paper provides guidance to supervisors,

regulators and policymakers when considering, designing and implementing regulations and supervisory practices with respect to the use of digital technology in inclusive insurance. The paper was developed as a sequel to the *Issues Paper on Conduct of Business in Inclusive Insurance* at the express request of Members seeking guidance in the area of mobile phone insurance and other uses of digital technology. Adoption is planned for mid-2018.

Three, the *Application Paper on Proportionate Prudential Requirements in Inclusive Insurance Markets*. This Application paper is one of two deliverables from a joint project with the IAA. The other complementary deliverable is an IAA paper providing actuaries working with financial inclusion with professional guidance. Guid-

ance addresses key actuarial areas from a supervisory perspective. The framework and process enables more informed supervisory discussion and decision making while recognising that issues are jurisdiction and situation specific. Examples illustrating the application of the framework show the breadth of applicability of this guidance. Adoption is planned for mid-2018.

The Acting Chair of the Financial Inclusion Working Group is Luc Noubissi (Africa, CIMA), who served as Vice Chair during the reporting period. There is currently no Vice Chair. Sergej Simoniti (Slovenia) served as Chair during the reporting period. There is no Vice Chair.

FINANCIAL INCLUSION WORKING GROUP: STATUS OF SUPPORTING MATERIAL

PAPER TYPE	SUBJECT	STATUS	ADOPTION
Application	Regulation and Supervision of Mutuals, Cooperatives and Community-based Organisations in Increasing Access to Insurance Markets	Completed	September
Application	Product Oversight in Inclusive Insurance	Completed	November
Application	Use of Digital Technology in Inclusive Insurance	Continuing	Mid-2018
Application	Proportionate Prudential Requirements in Inclusive Insurance Markets	Continuing	Mid-2018
Issues	Index-based Insurances	Continuing	Mid-2018

Table 6

GROWTH IN NUMBER OF MMOU SIGNATORIES, 2009-17

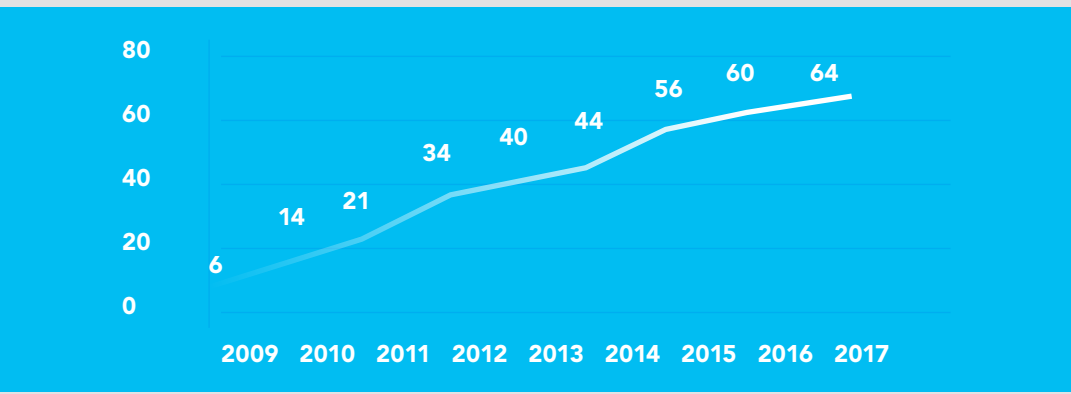


Table 7

Signatories Working Group

The Signatories Working Group is responsible for the following activities:

- Promoting the MMoU among IAIS Members.
- Reviewing the functioning and effectiveness of cooperation and information exchange under the MMoU.
- Monitoring the validation of applications received from interested IAIS Members.
- Strengthening cooperation and the exchange of information via multilateral networks.

The MMoU is a foundational tool for strengthening cooperation and information exchange among Members. To be a MMoU signatory, a jurisdiction needs to be a Member of the IAIS and undergo a rigorous review process by a validation team made of information exchange experts. If approved by the validation team, a jurisdiction can officially become a signatory. This rigorous process assures other signatories that information can be exchanged and that it will be protected in line with the MMoU. In 2017, the Working Group successfully completed three assessments of MMoU applications.

As a result, the number of MMoU signatories continued to increase. By year-end, the number of signatories stood at 64, an increase of four from year-end 2016, and accounting for nearly 71% of world



John Doak, Oklahoma Insurance Commissioner, signs the IAIS MMoU, joined by then- IAIS Secretary General Yoshihiro Kawai, and Ekrem Sarper, then-Acting Chair of the IAIS Implementation Committee.

premium volume. The new signatories were the Maryland (USA) Insurance Administration (February), Tennessee (USA) Department of Commerce and Insurance (February), Vermont (USA) Department of Financial Regulation (March) and Oklahoma (USA) Department of Insurance (October).

At year-end, further assessments were pending and more applications had been received. Raising new validation resources was challenging but in the end successful. The Group oversaw smooth operation of the MMoU and information exchange and followed up where appropriate.

The Working Group concluded its MMoU efficiency project in February, consisting of several components designed to enhance

preparation, feedback, and quality and speed of the IAIS MMoU validation process, as well as the communication between Validation Teams, MMoU applicants, and interested IAIS Members. The Group contributed to the revision of ICPs 3 and 25, and seeks to identify and address general supervisory cooperation matters as they may arise through a standing item on the agenda for each call/meeting.

The Chair of the Signatories Working Group currently and during the reporting period is Michael Kehr (Germany, BaFin). The Vice Chair is Gita Timmerman (USA, NAIC).



William Mason (Guernsey, FSC)
Chair, Audit and Risk Committee

REPORT OF THE AUDIT AND RISK COMMITTEE

The responsibilities of the Audit and Risk Committee include oversight of the following:

- Risk management Framework, internal control systems, and compliance with relevant laws, regulations, rules and procedures.
- Strategic and operational performance.
- Financial reporting.
- Relationship with the external auditor.

The Risk Management Framework, along with the Association's own Risk Appetite Statement, came into force in January 2015. Both have been integrated into IAIS operations. The Secretary General continues to provide regular updates to the Audit and Risk Committee and Executive Committee on the most substantial risks facing the Association and how these are being managed.

The Risk Appetite Statement is now applied on an on-going basis as well as being annually applied to evaluate the 2015-19 Strategic Plan and Financial Outlook to ensure risks remained within the agreed upon thresholds.

The Committee also monitored the Executive Dashboard to examine the adequacy and effectiveness of the Association's assessment and reporting of its strategic and operational performance. The Committee challenges management on the progress identified within the dashboard. It has made and will continue to make recommendations for improvement when it perceives the need to do so.

The Committee offered advice to the new Secretary General on the risk implications of the IAIS work programme although it notes that, having previously chaired the Implementation Committee, the Secretary General is well aware of the strains under which the IAIS operates, given the number and diversity of its projects.

In cooperation with the Budget Committee, the Committee continued to review and monitor the Association's financial reporting processes as well as the external audit of the Association's accounts to ensure these are appropriately handled and within procedures. There are no material issues to report on with regard to the 2017 accounts.

During 2017, Members from the following jurisdictions joined the committee – Morocco, Poland, Wisconsin (USA) and Australia. All are Executive Committee members and ensure that the committee has considerable geographical diversity as it undertakes its scrutiny functions. The committee thanks its departing Members from the Cayman Islands, Slovakia, Canada and Japan.

The Chair of the Audit and Risk Committee currently and during the reporting period is William Mason (Guernsey, FSC). The Vice Chair is Bernard Dupont (Canada, OSFI)



Peter Braumüller (Austria, FMA)
Chair, Budget Committee

REPORT OF THE BUDGET COMMITTEE

The 2017 IAIS financial statements were prepared in accordance with Swiss law. They were audited by Ernst & Young, which issued an unqualified audit opinion.

The audited financial statements show net expenditure of CHF 816,174 compared with budgeted net expenditure of CHF 817,188. Increases in expenses for travel and employment costs were offset by lower than expected recruitment costs and meeting expenses.

In February, the Executive Committee approved an updated investment policy, with a view to the persisting negative interest rates in Switzerland. The updated policy maintains the traditional conservative approach in which funds are primarily invested in bank current and deposit accounts, as well as in certain investments with capital protection. The updated policy now broadens the spectrum to allow investment grade instruments and enables slightly more flexibility to minimise unnecessary holding costs and to take advantage of suitable investment options that arise.

The IAIS greatly appreciates the continuing support it receives from Members whose contributions include grants or in-kind support, such as secondments of staff to the Secretariat. The IAIS is particularly grateful for the contributions and support provided during 2017 by the Bank for International Settlements, the China Banking and Insurance Regulatory Commission, the Financial Supervisory Commission (Chinese Taipei), the Financial Services Agency (Japan), the Financial Supervisory Service (Republic of Korea), the Financial Supervisory Authority (Romania), the French Ministry of Finance, and the Monetary Authority of Singapore.

The Chair of the Budget Committee currently and during the reporting period is Peter Braumüller (Austria, FMA). The Vice Chair is Ryan Workman (USA, NAIC).

BENEFITTING AND PROTECTING INSURANCE POLICYHOLDERS



ANNUAL EVENTS: THE ANNUAL CONFERENCE AND GLOBAL SEMINAR

24TH IAIS ANNUAL CONFERENCE / 2 – 3 NOVEMBER 2017 / KUALA LUMPUR, MALAYSIA

You realise when you attend an IAIS annual conference how integral these annual gatherings are to our work. Through interactive panels, robust dialogue and extensive networking opportunities, the annual conference helps foster and reinforce a shared commitment to a common mission and a mutual understanding and awareness of the diverse perspectives of the more than 210 Member jurisdictions. This produces the kind of cooperation and collaboration necessary to achieve consensus in setting global insurance standards.

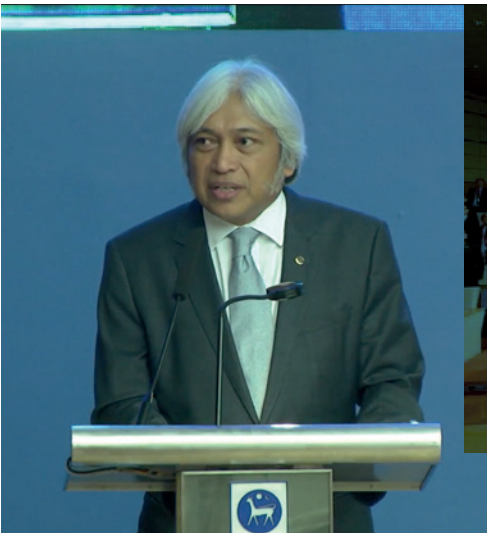
After a rousing farewell tribute to retiring IAIS Secretary General Yoshihiro Kawai, the IAIS concluded its 24th Annual Conference on 3 November, preceded by the General Meeting of Members and three days of committee meetings.

Hosted by Bank Negara Malaysia, the IAIS Annual Conference drew a record crowd to Kuala Lumpur, Malaysia, for two days of dialogue and discussion. The theme for this year’s conference was “Insurance Supervision: Looking Beyond...” This theme emphasized the need for the IAIS and insurance supervisors to anticipate and prepare for what lies ahead, to be proactive and harness the

forces shaping the future insurance landscape, in order to accomplish our mission. In keeping with this theme, panellists “looked beyond” the status quo to consider the future of the IAIS and the global supervisory landscape, financial education for insurance consumers, insurer business models and distribution strategies, and increasing access to insurance. The conference included a panel on the status of major IAIS projects.

The conference featured two exceptional keynote speakers: Muhammad bin Ibrahim, Governor, Bank Negara Malaysia; and Woody Mo, President and Chief Executive Officer of eBaoTech – a global leader in insurance technology.

The conclusion of the Annual Conference marked the retirement of long-time IAIS Secretary General Yoshihiro Kawai. In a farewell tribute, there was an outpouring of appreciation for Yoshi’s nearly 20 years of service to the IAIS and all that he achieved. It was the end of an era – one marked by a series of increasingly impressive milestones. As Yoshi was fond of saying, the IAIS has a history of “making the impossible, possible”.



“This has been an exceptional week of accomplishments, from key agreements on group capital standards and the delivery of capacity building in actuarial services, to approval of revisions to ICPs and adoption of a new supervisory paper, along with engaging panel discussions on forward-looking topics”.

Jonathan Dixon, Secretary General

PANEL NOTES...

- **In Session 1**, a mix of past and present Executive Committee Chairs discussed the future of the IAIS and the global supervisory landscape. They considered the effect of current and emerging trends, risks and opportunities within the insurance sector on the nature, role and independence of insurance supervision and how supervisors can ensure safe globalised provision of insurance services.
- **In Session 2**, panellists explored ways to promote financial education for insurance consumers to make them less vulnerable to unfair market practices. They discussed approaches adopted in selected jurisdictions, lessons learned and the role of insurance supervisors.
- **In Session 3**, the IAIS provided an update of major projects. It gave Members and stakeholders a high-level status report on current IAIS priorities across a number of workstreams.
- **In Session 4**, panellists examined insurer business models and distribution strategies and debated the merits of “high tech” versus “high touch”. They looked at how insurers are exploiting new technologies to manage and identify risks and conduct underwriting, and whether or not the regulatory and supervisory reach is sufficient to manage the impact of digitalisation in insurer business models.
- **In Session 5**, panellists looked beyond the current reach and addressed the challenge of increasing access to insurance, covering both traditional insurance products and specific product types such as Takaful and agricultural insurance. Panellists explored the role supervisors can play in facilitating success.



10th Annual IAIS Global Seminar marked by Several Key Announcements

ComFrame, ICS Version 1.0 and Activities-based Approach to Systemic Risk Assessment among the issues discussed

Nearly 300 IAIS Members attendees and stakeholders gathered in Old Windsor, United Kingdom, for two days of discussion and dialogue at the IAIS 10th Annual IAIS Global Seminar. Hosted by the Bank of England, the Global Seminar served up a robust programme of diverse global insurance panel topics, in addition to wide-ranging perspectives at the Executive Committee Dialogue.

The Global Seminar showcased key IAIS initiatives in engaging panels. Topics included ComFrame, the ICS, assessment of systemic risk, implementation of international standards and market development, the insurance contracts standard (IFRS 17) issued by the IASB, conduct of business in insurance distribution, digitalisation in the insurance sector, and insurer financial reporting of climate change risk. Among the highlights of this global event:

- The IAIS provided a high-level summary of comments received during the recent public consultation on certain ComFrame-related material and announced plans for a public consultation of ComFrame in its entirety, including ICS Version 2.0, in mid-2018. Panellists agreed the final product should allow for comparability across jurisdictions.

- The IAIS also announced Executive Committee approval of ICS Version 1.0 for extended field testing.
- The IAIS held its first stakeholder session on the development of an activities-based approach to systemic risk assessment and reiterated plans for a consultation on initial findings in December followed by a final consultation on a holistic approach to systemic risk by the end of 2018.
- It was noted that high-level conduct of business principles and risk-based supervisory approaches could provide important benefits in a changing environment.
- There was recognition of the need for on-going dialogue between the insurance industry and supervisors concerning the digitalisation of the insurance sector.
- While at an early stage of development, it was reported that tools for assessing climate change risk are available.

Videos and slide presentations of the Global Seminar may be viewed by clicking here.

“The Global Seminar brings together insurance supervisors, market experts, and consumer and industry representatives for engaging dialogue on a wide array of current global insurance issues. It promotes public awareness, mutual understanding and global cooperation in insurance supervision”.

Vicky Saporta, Chair, Executive Committee



IAIS DISTINGUISHED FELLOWS 2017

Since its creation in 2004, the IAIS Distinguished Fellows programme has honoured former Member representatives for their substantial involvement in IAIS activities and outstanding service. Honourees are nominated and approved by their peers. It is a special way of paying tribute to those who have selflessly contributed their time and expertise to advance the IAIS mission. As stated by Vicky Saporta, Executive Committee Chair, "The Distinguished Fellows programme recognises extraordinary dedication to this Association". The IAIS conferred this honour upon three former colleagues:



The Distinguished Fellow trophy recognising "service with distinction".



TAKASHI HAMANO (FORMERLY WITH JAPAN, FSA)

Takashi Hamano served as former Vice Chair of the Executive Committee from 2014 to 2016. He also served as a member of the Coordination Group, Selection Committee, Performance and Compensation Committee and Secretary General Selection Panel. Takashi also served on several Executive Committee Working Groups including the G-SII Assessment Methodology Task Force and the NTNI Task Force, while also serving on the Activity-based Assessment Drafting Group. In addition, he was an active member of the Technical Committee and its successor FSTC, and the Supervisory Forum. Takashi chaired the Stakeholder Engagement Task Force through the development of the draft Stakeholder Engagement Plan and launch of the request for public feedback. His leadership during this time ultimately led to the adoption of a comprehensive Stakeholder Engagement Plan.

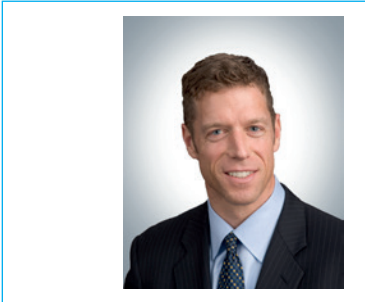


KEITH CHAPMAN (FORMERLY WITH AUSTRALIA, APRA)

Keith Chapman was an active member of the IAIS Technical Committee and its successor, the FSTC, serving from 2010 to 2017. He also served on the Executive Committee from 2015 to 2017, the Stakeholder Engagement Task Force during 2016 and 2017, and the Audit and Risk Committee until 2017. Keith was instrumental in the rollout of the IAIS Risk Management Framework. He could be counted on to actively participate in discussions and contribute to the drafting of IAIS documents, aided by his keen eye for detail and ability to build consensus on difficult issues.

MICHAEL MCRAITH (FORMERLY WITH USA, TREASURY/FIO)

Michael McRaith served the IAIS in many different capacities. Having served on the Executive Committee, Mike also chaired the Technical Committee from 2012 to 2015 and its successor committee – the FSTC – from 2016 to 2017. He chaired the G-SII Methodology Task Force during 2015 and 2016. Mike provided oversight and leadership on signature IAIS projects such as the ICS and G-SII assessment methodology as they matured past their conceptual stage through the course of numerous consultation papers, technical specification releases, and stakeholder events. He also served on the IAIS Strategy Task Force responsible for proposing the 2015 – 19 IAIS Strategic Plan and Financial Outlook



These 2017 Distinguished Fellows joined the ranks of other individuals honoured in previous years.

STAKEHOLDER ENGAGEMENT

To the IAIS, how we complete our work is as important as the work itself. And when it comes to completing our work, robust and meaningful stakeholder engagement is integral to our decision-making process. It not only instils public confidence in IAIS work products, but also protects the credibility of international standard setting.

Since eliminating Observer status in 2014, the IAIS has taken concrete steps each year to expand opportunities for stakeholder engagement. In this regard, 2017 was certainly a watershed year.

In March, the Executive Committee approved the IAIS Stakeholder Engagement Plan. This comprehensive plan sets forth guidance and goals and, most importantly, commits the IAIS to implementing nearly 20 new policies. It places particular emphasis on strengthening engagement with consumers, members of the academic community and professional organisations.

The numbers complete the story. Figure 8 demonstrates the many different ways the IAIS engages with stakeholders from public consultations to subject matter meetings and workshops. In total, the IAIS provided approximately 47 different engagement opportunities in 2017.

Stakeholder Engagement: By the Numbers		
Subject matter stakeholder mtgs	10	Includes ExCo Dialogue
Public background sessions	10	17 ICPs + 4 Papers
Public consultations	9	19 ICPs + 4 Papers
Other invited testimony and events	7	Includes Annual Conference and Global Seminar
Public discussion sessions	5	10 ICPs + 4 Papers
Field Testing Volunteer Workshops	3	ICS
Other	3	Stakeholder plan, disclosure report, webinar

Figure 8

“Without effective engagement with stakeholders, the design and implementation of policy solutions would not be successful and we would fail to achieve informed decision making”.

Hiroshi Ota, Deputy Commissioner for International Affairs,
Japan Financial Services Agency

IAIS STAKEHOLDER ENGAGEMENT PLAN Selected New Commitments

- Continue to expand stakeholder involvement in the Global Seminar and Annual Conference
- Identify consumer representatives for targeted input
- Expand range and frequency of subject matter hearings
- Hold stakeholder sessions with consumer representatives
- Enhance IAIS presence at academic/professional organisation events
- Provide 30-day advance notice of stakeholder meetings and meeting materials seven days in advance
- Publish 12-month master schedule of project timelines, including consultations
- Hold webinars to discuss IAIS projects with stakeholders

Figure 9

AUDITOR'S REPORT



Ernst & Young Ltd
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P.O. Box
CH-4002 Basle
Phone +41 58 286 86 86
Fax +41 58 286 86 00
www.ey.com/ch

To the General Meeting of
International Association of Insurance Supervisors, Basle

Basle, 18 June 2018

Report of the auditor on the financial statements

As auditor in accordance with article 11 of your by-laws, we have audited the accompanying financial statements of International Association of Insurance Supervisors, which comprise the Statement of Financial Position, Statement of Activities, Statement of Cash Flows and Notes for the year ended 31 December 2017.

Executive Committee's responsibility

The Executive Committee is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the by-laws. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Executive Committee is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law and the by-laws.



Report on other requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b Swiss Civil Code (CC) in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 69b CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Management.

Ernst & Young Ltd

Christian Fleig
Licensed audit expert
(Auditor in charge)

Meik Babylon
Licensed audit expert

Enclosure

- Financial Statements (Statement of Financial Position, Statement of Activities, Statement of Cash Flows and Notes)

FINANCIAL STATEMENTS

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
BALANCE SHEET
AS AT 31 DECEMBER 2017
(IN SWISS FRANCS)

	Note	2017	2016
ASSETS			
Cash and cash equivalents	6	10,707,216	10,228,918
Other short-term receivables	7	200,137	150,049
Prepaid expenses and accrued income		157,614	128,114
Total current assets		11,064,967	10,507,081
Financial assets	8	–	–
Total non-current assets		–	–
Total assets		11,064,967	10,507,081
LIABILITIES AND EQUITY			
Other short-term liabilities	9	11,000	22,000
Accrued expenses and deferred income	10	3,234,563	1,849,503
Total liabilities		3,245,563	1,871,503
Voluntary retained earnings			
Balance brought forward		8,635,578	8,923,534
Net result for year		(816,174)	(287,956)
Total equity		7,819,404	8,635,578
Total liabilities and equity		11,064,967	10,507,081

There were no movements in equity during the year other than those included in the Balance Sheet. The accompanying notes form part of these financial statements.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017
(IN SWISS FRANCS)

	Note	2017	2016
OPERATING INCOME			
Membership fees		5,546,950	5,127,950
Contributions received	3	2,300,000	2,600,000
Total operating income		7,846,950	7,727,950
OPERATING EXPENSES			
Contributions paid	12	130,139	163,397
Staff costs	13	7,086,020	6,135,267
Other operating expenses	14	1,417,285	1,663,542
Total operating expenses		8,633,444	7,962,206
Operating result		(786,494)	(234,256)
Financial income	15	412	11,213
Financial expenses	16	(30,092)	(64,913)
Net result for year		(816,174)	(287,956)

Other than financial income and expenses included above, there was no non-operating income or expenses, no extraordinary items or significant adjustments in respect of prior periods. The accompanying notes form part of these financial statements.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017
(IN SWISS FRANCS)

	Note	2017	2016
Net result for year		(816,174)	(287,956)
(Increase) / decrease in other short-term receivables		(50,088)	(58,831)
(Increase) in prepaid expenses and accrued income		(29,500)	(739)
(Decrease) in other current liabilities		(11,000)	(119,560)
Increase in accrued expenses and deferred income		1,385,060	240,217
Cash (outflow) / inflow from operating activities		478,298	(226,869)
Proceeds from maturity of floating rate note		–	1,000,000
Cash inflow for investing activities		–	1,000,000
Change in cash and cash equivalents		478,298	773,131
Cash and cash equivalents at beginning of year	6	10,228,918	9,455,787
Cash and cash equivalents at end of year	6	10,707,216	10,228,918
Change in cash and cash equivalents		478,298	773,131

A delay in the IAIS being charged for expenses incurred during last quarter of 2017 led to an increase in accrued expenses. These were settled in full at the start of 2018. The accompanying notes form part of these financial statements.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

1. NATURE OF ORGANISATION

The International Association of Insurance Supervisors (“IAIS” or “the Association”) is an association established under Swiss Law. The Association is domiciled in Basel, Switzerland and receives fees from its Members worldwide.

The IAIS provides an independent forum for insurance supervisors to promote cooperation among its members in carrying out their responsibilities. Its mission 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.

2. KEY ACCOUNTING PRINCIPLES

a. Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32nd Title of the Swiss Code of Obligations) enacted on 23 December 2011 by the Federal Assembly of the Swiss Confederation, that became effective on 1 January 2013. It is applicable to financial statements from the financial year 2015.

b. Scope of the financial statements

These financial statements contain all assets and liabilities that are controlled by the Association and in respect of which the economic benefits as well as the rights and obligations lie predominantly with the Association.

c. Basis of preparation

The financial statements have been prepared on a going concern basis. They have been prepared on the historical cost basis, and income and expense items are recorded on the accruals basis. The principal accounting policies are set out below.

d. Functional and presentation currency

The functional and presentation currency is the Swiss franc.

e. Cash and cash equivalents

Cash and cash equivalents comprise bank current and deposit accounts which are highly liquid and readily convertible to cash.

f. Financial assets

Investments in term deposits and fixed term structured products are held to maturity and are accounted for at amortised cost.

Income from investments is accounted for as financial income.

g. Provision for bad debts

Provisions are recognised as a charge to the Income Statement if the Association has concern over the recovery of outstanding receivables. The policy of the Association is to write-off membership fees that remain unpaid for two consecutive years, or upon confirmation of non-recovery if earlier.

h. Withholding taxes

Interest income is reported net of withholding taxes and included as part of financial income.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

3. BENEFITS RECEIVED

The IAIS is hosted by the Bank for International Settlements (BIS). It benefits from various support provided by the BIS that includes the provision of meeting organisation services, administration, accounting, human resources, legal and other advisory services, office space and IT equipment, and one full-time technical administrator. The BIS also administers a staff pension scheme of which a number of IAIS staff are entitled to membership. The pension obligations lie with the BIS and the IAIS has no legal commitment for the payment of pension amounts to staff. In addition, from 2015 until 2019, the BIS will make annual financial contributions to the IAIS, in accordance with an agreement between both parties. This funding is in recognition of the financing gap created by the discontinuation of the industry Observer status from 2015. The contribution provided in 2016 and 2017 was CHF 2,600,000 and CHF 2,300,000, respectively.

The Association also benefits from Members' secondment of staff to its Secretariat. The total amount of these benefits does not form part of these financial statements.

4. THIRD PARTY CONTRIBUTIONS

The use of these funds is restricted as determined by agreements with the contributors.

FSA Japan Grant

Funds are contributed annually to support the IAIS' activities and are held in a separate CHF-denominated bank account, on which there was a balance of CHF 969 as at 31 December 2017. These funds are held outside the IAIS financial statements; all transactions are financially independent from the IAIS and the financial records are independently audited.

IAIS Education Fund

The fund represented contributions received from donors to be used for educational purposes. The balance on the fund was fully utilised during 2016. The funds were held outside the IAIS financial statements; all transactions were financially independent from the IAIS and the financial records were independently audited.

5. INCOME TAXES

The Association is exempt from Swiss income tax.

6. CASH AND CASH EQUIVALENTS

	2017	2016
CHF Current accounts	2,692,610	4,214,749
CHF Short term savings accounts	8,014,606	6,014,169
	10,707,216	10,228,918

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

7. OTHER SHORT-TERM RECEIVABLES

	2017	2016
Membership fees receivable	–	54,883
Other	200,137	131,839
	200,137	186,722
Less: provision for bad debts	–	(36,673)
	200,137	150,049
Movement in provision for bad debts:		
Charge to operating expenses:		
Provision made during the year	7,322	75,143
Amounts recovered in year	(29,350)	(10,900)
Charge to operating expenses	(22,028)	64,243
Movement in provision:		
Opening balance	36,673	28,300
Charge to operating expenses	(22,028)	64,243
Amounts written off in year	(14,645)	(55,870)
Closing balance	–	36,673

8. FINANCIAL ASSETS

Investments held to maturity

	2017	2016
Term deposits	–	–
Floating rate note	–	–
	–	–

The IAIS reviews on a yearly basis potential investment opportunities in accordance with its Investment Policy. Given the current market environment in CHF-denominated investment-grade products, the IAIS currently does not hold a position on any investment product. In the past, most of the IAIS' investments consisted of positions on structured products such as floating rate notes, as well as term deposits.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

9. OTHER SHORT-TERM LIABILITIES

	2017	2016
Contribution towards Annual Conference and General Meeting expenses (Note 11)	11,000	22,000
	11,000	22,000

10. ACCRUED EXPENSES AND DEFERRED INCOME

	2017	2016
Accrued expenses:		
Audit	11,000	10,000
Bank for International Settlements	1,478,434	467,420
Consultancy	10,400	36,395
Seminars	109,608	44,241
Travel	65,507	54,631
Website & IT	12,000	13,620
Other	626,968	262,546
Deferred income:		
Membership fees received in advance	920,646	920,620
	3,234,563	1,849,503

Amounts due to the Bank for International Settlements are in respect of staff costs and other operating expenses.
All other accrued expenses relate to third parties.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

11. ANNUAL CONFERENCE AND GENERAL MEETING

	2017	2016
Contribution towards Annual Conference and General Meeting expenses	11,000	22,000
Over-accrual of 2016 Conference expenditure	(470)	–
	10,530	22,000

The Annual Conference fees and expenditure are the responsibility of the host. The host is also responsible for organising a General Meeting, the costs of which are borne by the IAIS. The IAIS set aside in its annual budget for 2017 a maximum amount of CHF 100,000 to cover the costs of the General Meeting and contribute towards costs related to the Annual Conference. Any net costs, after taking into account the IAIS contribution, are borne by the host.

12. CONTRIBUTIONS PAID

	2017	2016
Annual Conference and General Meeting (Note 11)	10,530	22,000
Regional seminars	59,609	81,397
Global seminar	60,000	60,000
	130,139	163,397

13. STAFF COSTS

	2017	2016
Employment costs	6,957,923	5,936,432
Relocation	128,097	198,835
	7,086,020	6,135,267

The IAIS has no more than 50 full time positions.

**INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

14. OTHER OPERATING EXPENSES

	2017	2016
Audit	11,860	10,641
Consultancy fees	53,987	54,801
Copies & postage	117	169
FSI Connect licences	–	68,233
Information services	53,592	51,557
Insurance	94,926	96,259
Meeting expenses	148,178	213,644
Miscellaneous	25,467	40,315
Printing & documentation	3,500	20,830
Bad debts expense / (recovered)	(22,028)	64,243
Recruitment	43,442	96,298
Telephone & fax	7,820	15,214
Training	66,300	38,064
Travel	750,434	709,983
Website and IT	179,690	183,291
	1,417,285	1,663,542

15. FINANCIAL INCOME

Interest on:

	2017	2016
Bank accounts	412	–
Term deposits	–	–
	412	–
Floating rate note	–	11,213
	412	11,213

The Association presents interest net of withholding tax. See also Note 2.

**INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017**

16. FINANCIAL EXPENSES

	2017	2016
Bank charges & custody fees	1,098	5,536
Bank interest	28,994	58,687
Foreign exchange loss	–	690
	30,092	64,913

17. INVESTMENT POLICY AND RISK MANAGEMENT

The Budget Committee meets at least four times a year and assesses the financial risks that could have an impact on the Association. The Secretariat monitors the day-to-day activities of the Association and provides regular reports to the Budget Committee.

The Association derives income primarily from membership fees. As a non-profit making organisation, it invests surplus income to fund future operations. Security of capital, represented by voluntary retained earnings, has a high priority within the investment policy, to ensure that the Association can continue as a going concern to support its activities for the foreseeable future.

As at 31 December 2017 the IAIS' investment in financial assets comprised banks current and deposit accounts.

Liquidity risk

The Association holds sufficient liquid funds to enable it to meet its liabilities as they fall due.

Foreign currency risk

The revenue and expenditure of the Association are predominantly received and paid in Swiss francs. To minimise the exposure of investments to foreign currency risk, investments are normally held in Swiss franc-denominated financial assets. The Association's cash and cash equivalents are also held in Swiss francs.

Credit Risk

The major source of funding for the Association is fees from Members. Members represent insurance regulators and supervisors from over 200 jurisdictions in more than 140 countries. Due to the nature of the Association's activities and broad membership, credit risk is considered to be low.

18. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events between the balance sheet and the approval of these financial statement by the IAIS Executive Committee on 14 June 2018 which could impact the book value of assets and liabilities or which should be disclosed in these financial statements.

EXECUTIVE COMMITTEE MEMBERS

APPENDIX I
EXECUTIVE COMMITTEE MEMBERS
AS OF OCTOBER 2018

Victoria (Vicky) Saporta United Kingdom Prudential Regulation Authority Chair	Alberto Corinti Italy Institute for the Supervision of Insurance (IVASS) Chair, Macroprudential Committee	Subhash C. Khuntia India Insurance Regulatory and Development Authority	Norma Alicia Rosas Rodriguez Mexico National Insurance and Surety Commission (CNSF)
Wen Hui Chen China China Banking and Insurance Regulatory Commission Vice Chair	Joaquin Cortez Chile Superintendence of Securities and Insurance (SVS)	Chang-Woog Lee Korea (Republic of) Financial Supervisory Service	Thomas Sullivan (non-voting) USA Federal Reserve Board
Julie Mix McPeak USA, Tennessee Department of Commerce & Insurance Vice Chair	Bernard Dupont Canada Office of the Superintendent of Financial Institutions	Sandrine Lémery France Prudential Supervision and Resolution Authority	Geoff Summerhayes Australia Australian Prudential Regulation Authority
Hiroshi Ota Japan Financial Services Agency Vice Chair	Michele Fields Bahamas The Insurance Commission of The Bahamas	Elise Liebers (ex officio) USA National Association of Insurance Commissioners Policy Development Committee	Suzette Vogelsang South Africa Financial Services Board
Ebrahim Obaid Al Zaabi United Arab Emirates Insurance Authority / United Arab Emirates	Frank Grund Germany German Federal Financial Supervisory Authority (BaFin)	William Mason Guernsey Financial Services Commission Chair, Audit and Risk Committee	Katharine L. (Katie) Wade USA, Connecticut Connecticut Department of Insurance
Gabriel Bernardino EIOPA European Insurance and Occupational Pensions Authority	Hern Shin Ho Singapore Monetary Authority of Singapore	Ted Nickel USA, Wisconsin Office of the Commissioner of Insurance	
Hassan Boubrik Morocco Supervisory Authority of Insurance and Social Welfare	José G. (Pepe) López Hoyo (ex officio) Mexico National Insurance and Surety Commission (CNSF)		
Peter Braumüller (ex officio) Austria Financial Market Authority Chair, Budget Committee	Carlos Izaguirre Peru Superintendence of Banking, Insurance and Private Pension Fund Administrators Insurance (SBS) Peru		
	Damian Jaworski Poland Financial Supervision Authority		

IAIS SECRETARIAT STAFF

APPENDIX II SECRETARIAT STAFF AS OF OCTOBER 2018

Jonathan Dixon Secretary General	Daisuke Hirose* (Financial Services Agency, Japan) Member of the Secretariat	Andrei Radu Member of the Secretariat
Catherine Lezon-Gaertner Deputy Secretary General	Stephen Hogge Member of the Secretariat / Communications	Gemma Schneider Administrative Officer
Romain Paserot Deputy Secretary General / Head of Capital and Solvency	Anastasia Kartasheva Member of the Secretariat and Economic Advisor	Alka Sharma Administrative Officer
Conor Donaldson Head of Implementation	Bas Kiviet Operations Manager Member of the Secretariat	Zoe Smoke Administrative Officer
Anna Aubel Administrative Officer	Grzegorz Komarnicki Member of the Secretariat	Tomas Stastny Member of the Secretariat
Peter van den Broeke Member of the Secretariat	Lance Leatherbarrow Member of the Secretariat	Jun Zhang (China Banking and Insurance Regulatory Commission) Member of the Secretariat
Joao Carneiro Finance Officer	Carole Lin* (Financial Supervisory Commission, Chinese Taipei) Member of the Secretariat	Hanne van Voorden Member of the Secretariat
Aurélien Cosma Member of the Secretariat	Jia Yun Loo* (Monetary Authority of Singapore) Member of the Secretariat	Pierre-Jean Vouette Member of the Secretariat
Rogier Derksen Member of the Secretariat	Bernhard Mayr Member of the Secretariat	Myungshin Yoo* (Financial Supervisory Service) Member of the Secretariat
Malene Duncan Member of the Secretariat	Jay Muska Member of the Secretariat	
Becky Easland Member of the Secretariat	Carine Notter* (BIS) Technical Administrator	
Sylvie Ellet Administrative Officer	Danita Pattemore Member of the Secretariat	
Jules Gribble Member of the Secretariat		
Martin Hahn Member of the Secretariat		

Staff not financed by the IAIS
indicated by an asterisk (*)

IAIS ORGANISATIONAL STRUCTURE

APPENDIX III ORGANISATIONAL STRUCTURE DURING REPORTING PERIOD

