

Newsletter

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Issue 97



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

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From the Secretary General

The insurance sector is undergoing significant change on multiple fronts and the Covid-19 pandemic has become an accelerant and impetus for innovation and agility – opening new conversations or giving added weight to existing ones. One of these conversations is the long-standing focus of the IAIS on addressing the protection gap.



Early on in the pandemic, we partnered with the Access to Insurance Initiative (A2ii) on a series of webinars that provided a platform for supervisory discussion on the pandemic, and to exchange views on prudential and conduct of business implications, with particular attention on the situation in emerging and developing economies and the effect on vulnerable populations. The crisis has also highlighted the limits on the types of coverage that the insurance sector can offer alone and the

importance of exploring different approaches, such as public-private partnerships to pool risks, which can help close the protection gap. We are now partnering with the A2ii on a new series of webinars that will explore pandemic risk, and particularly the pandemic risk protection gap.

Taking steps to close the protection gap is a complex task that requires a multi-stakeholder approach that brings together supervisors, consumers, the private sector and policymakers.

The importance of finding multi-stakeholder solutions is why the IAIS and A2ii have invited all interested stakeholders to participate in the first two webinars of this series, scheduled for 13 July and 23 July, so that we can learn from each other and explore ideas and innovative approaches.

While recent months have been a demanding period for all, it has been impressive to witness the speed and breadth of the response by insurance supervisors to the impact of Covid-19. Moreover, I am incredibly impressed with the commitment and remarkable ability of our stakeholders to rapidly adapt and respond to the challenges of this difficult period.

I am also reminded that after every crisis, financial services and society have responded and emerged stronger. This is our opportunity to do so again – particularly from the perspective of inclusive growth and development. Let us all collectively apply our minds to that end.

Jonathan Dixon, Secretary General



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

In Focus**IAIS Executive Committee confirms continued focus on addressing the impact of Covid-19 on the global insurance sector while advancing key IAIS projects**

The International Association of Insurance Supervisors (IAIS) recently held its virtual Committee meetings, stakeholder dialogue and Chief Risk Officer (CRO) roundtable, discussing a wide range of policy issues, progressing key projects and refining the ongoing IAIS work programme in light of the Covid-19 pandemic.

During its 23–24 June meeting, ExCo approved:

[Application Paper on Liquidity Risk Management](#)

- As part of its holistic framework for the assessment and mitigation of systemic risk in the global insurance sector (Holistic Framework), the IAIS identified liquidity risk as a key insurance market exposure that may lead to a systemic impact. The Application Paper on Liquidity Risk Management describes a set of approaches to the supervision of liquidity risk management as part of an insurer's Enterprise Risk Management. Specifically, it provides guidance on the practical application of supervisory material related to liquidity risk management discussed in Insurance Core Principle (ICP) 16 (Enterprise Risk Management for Solvency Purposes).

[Register of Internationally Active Insurance Groups](#)

- Following the approval in November 2019 of ComFrame – a comprehensive and outcome-focused framework aimed at facilitating effective group-wide supervision of Internationally Active Insurance Groups (IAIGs) – the IAIS has published a register of IAIGs based on the names of IAIGs publicly disclosed by Group Wide Supervisors (GWS) as of 1 July 2020. The Register is accompanied by information on its completeness, including a comparison of the number of publicly disclosed IAIGs with the total number of IAIGs that have been identified by GWSs. Out of those 48 identified IAIGs, 30 IAIGs have been publicly disclosed by GWSs from 11 jurisdictions.
- The Register will be regularly updated, based on information received from GWSs on any changes and new disclosures. The IAIS encourages those GWSs that have not yet disclosed the identification of IAIGs to continue their efforts and publicly disclose this information at the earliest opportunity.

[Peer Review of ICP 4, ICP 5, ICP 7 and ICP 8](#)

- Robust assessment of implementation of the IAIS supervisory material is critically important to supporting effective and globally consistent supervision. The IAIS undertakes regular thematic assessments through its Peer Review Process in support of these objectives. The IAIS has now published the results from its most recent thematic assessment, which focused on the thematic topic of Corporate and Risk-Governance, which includes ICP 4 (Licensing), 5 (Suitability of Persons), 7 (Corporate Governance) and 8 (Risk Management and Internal Controls). Seventy authorities participated in the PRP.

[Member Review of Morocco](#)

- This report provides a detailed assessment of the implementation of all ICPs in the Kingdom of Morocco. The Member Review of Morocco is the second pilot of the IAIS' Member Assessment Process (MAP). The MAP pilots explore which approaches can best provide a credible and comprehensive assessment of the implementation of the ICPs and how such a tool can support the IAIS' implementation objectives.

In light of the ongoing uncertainty of the duration and extent of the Covid-19 pandemic, the ExCo made additional refinements to its work programme for 2020 and 2021 and will prepare and publish an update of its 2020–2021 Public Roadmap. Further, the ExCo agreed:

- All in-person IAIS Working Group and Committee meetings for the remainder of 2020 will be held virtually; and
- The September ExCo Retreat will focus on a strategic discussion concerning the longer-term implications of the Covid-19 pandemic on IAIS activities.

The ExCo also held two far-ranging discussions with a broad group of stakeholders to examine the critical issues affecting the insurance sector due to Covid-19:

[ExCo Stakeholder Dialogue, 25 June 2020](#)

- The ExCo Dialogue provided an interactive virtual format for the IAIS to share information on its 2020–2021 Roadmap activities and exchange perspectives with stakeholders on the impact of Covid-19 on their current and future focus, as well as discuss critical issues and trends related to or accelerated by the pandemic. Stakeholder input will be used to inform the IAIS future work programme. Over 350 stakeholders joined the event. The [replay](#) is now available.

CRO Roundtable, 30 June 2020

- The CRO Roundtable provided an opportunity for ExCo members to engage with a representative cross-section of CROs from IAIGs and exchange views on the supervisory and policy responses to Covid-19 to date, as well as to reflect on the key risks and vulnerabilities facing the sector in the coming months. Input from this Roundtable will inform the IAIS' forward-looking qualitative assessment of risks, to complement our targeted Covid-19 data collection from individual insurers and supervisors.

Looking ahead, the IAIS will continue to assess and address the implications of Covid-19 on the global insurance sector and actively coordinate with the Financial Stability Board (FSB) and other standard-setting bodies on cross-cutting financial system issues. Further steps will be taken, as necessary, to coordinate the actions taken by IAIS Members to mitigate the impact of Covid-19 on the insurance sector, while concurrently ensuring such actions do not roll back regulatory reforms or compromise the underlying commitment to the finalisation and implementation of international standards to safeguard policyholders and contribute to the maintenance of financial stability.

News Updates**Supervisory issues associated with benchmark transition from an insurance perspective**

The IAIS published its report – [*Supervisory issues associated with benchmark transition from an insurance perspective*](#) – sharing findings and recommendations from a survey conducted amongst IAIS members. The report focuses primarily on LIBOR transition, given its

predominant global role and the short remaining period for transition.

Developed in close cooperation with the FSB and Basel Committee on Banking Supervision (BCBS), the IAIS report contributes the insurance perspective to their report on issues associated with benchmark transition. The IAIS report is included as an annex to the FSB-BCBS report to be delivered to the G20 Finance Ministers and Central Bank Governors ahead of their virtual meeting on 18 July.

A distinct feature of benchmark transition risk in the insurance sector is that insurers may be exposed on both sides of their balance sheet – for instance on the asset side through investments linked to LIBOR or, on the liability side, through regulatory valuation methodologies that reference benchmark rates.

Continued reliance of financial markets on LIBOR poses clear risks to global financial stability. Transition away from LIBOR by end-2021 requires significant commitment and sustained effort from both financial and non-financial institutions across many jurisdictions.

Key messages from the IAIS report

The IAIS encourages insurance supervisors to strengthen their efforts in facilitating insurers' transition away from LIBOR.

The IAIS report sets out supervisory recommendations for supporting LIBOR transition, consistent with those contained in the FSB-BCBS report, namely:

- Enhancing identification of transition exposure and remaining transition challenges;
- Supporting facilitation of LIBOR transition; and
- Stepping up supervisory cooperation and coordination.

The wider implementation of the recommendations by insurance supervisors aims to facilitate a more effective and coordinated transition globally.

IAIS Publishes the 2020 Insurance Capital Standard (ICS) Data Collection and Aggregation Method (AM) Data Collection Packages

On 30 June, the IAIS publicly released the 2020 ICS Data Collection and the AM Data Collection packages. Each package is comprised of Technical Specifications, Template and Questionnaire. The ICS package also includes Yield Curves needed to complete the reporting template. The ICS data collection package consists of material provided to Volunteer Groups to complete the annual ICS confidential reporting. The ICS Technical Specifications document (also referred to as Level 3) includes the Level 1 and Level 2 text and provides additional relevant information (eg practical examples and instructions), consistent with the agreed Level 1 and 2 documents.

The data collection packages can be found on the IAIS website:

<https://www.iaisweb.org/page/supervisory-material/insurance-capital-standard>.

Meetings and Events

Upcoming IAIS Meetings: July - September

In line with the decision taken at the June 23 Executive Committee meetings, all in-person IAIS meetings until the end of 2020 will be replaced with conference calls, as appropriate.

Members should visit the IAIS website at www.iaisweb.org for latest updates. The following groups are scheduled to meet by call between July and September 2020:

July
Budget Committee
Accounting & Audit Working Group
Executive Committee (TBC)
Infrastructure Task Force
Macprudential Monitoring Working Group
September
Accounting & Audit Working Group
Audit and Risk Committee
Capital, Solvency and Field Testing Working Group
Executive Committee (TBC)
Financial Crime Task Force
Governance Working Group
Implementation and Assessment Committee (TBC)
Insurance Capital Standard Task Force
Infrastructure Task Force
Market Conduct Working Group
Macprudential Monitoring Working Group (TBC)
Macprudential Committee
Macprudential Supervision Working Group
Policy Development Committee (TBC)
Resolution Working Group
Standards Assessment Working Group
ExCo Retreat (22-23 September via conference call)

Stakeholder Meetings

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

Stakeholder Events

Accounting and Auditing Stakeholder Meeting 3 June Virtual Meeting

The AAWG held a stakeholder call-in session on 3 June to discuss the Working Groups upcoming activities. Several industry participants provided views on goodwill (both IASB and FASB projects), the IASB's project on Primary Financial Statements and the low interest rate environment. One stakeholder discussed how Japan has navigated the low interest environment over a long period of time. Generally the stakeholders were supportive of changings to the current goodwill accounting.

**Seminars and
Training****A2ii-IAIS Special Webinar Series**

This year, due to the Covid-19 pandemic, the A2ii and the IAIS have held a series of webinars covering different aspects of the crisis and helping supervisors in their response. Summaries of the webinars can be found on the A2ii [blog](#).

The A2ii and IAIS are also organising a three-part series on pandemic risk (three webinars, the first two of which are open to all stakeholders).

13 July: A2ii-IAIS pandemic risk webinar series #1: the protection gap

23 July: A2ii-IAIS pandemic risk webinar series #2: public-private initiatives

30 July: A2ii-IAIS pandemic risk webinar series #3: supervisory dialogue

For more information visit the [webinars' page](#).

FSI-IAIS webcast on business interruption insurance in light of Covid-19

The IAIS and the Financial Stability Institute (FSI) of the Bank for International Settlements hosted a webcast on business interruption (BI) insurance on 26 June for IAIS Members. 268 participants from 52 jurisdictions registered for the event.

CBIRC-FSI Virtual Seminar

The CBIRC-FSI virtual seminar on key elements of IAIS standards on insurance supervision kicked off on 1 July with a presentation 121 participants from 11 jurisdictions registered for the virtual seminar.

Launch of 7th FIRST ONE online course

This year's 7th FIRST ONE online course will run from 20 August to 24 November with over 350 participants from over 45 jurisdictions.

Appointments of Chairs and Vice-Chairs

The IAIS Executive Committee appointed:

- [Dieter Hendrickx](#), from the National Bank of Belgium, as Chair of the Macroprudential Committee
- [Gary D. Anderson](#), from USA – Massachusetts, as Chair of the Policy Development Committee

Dieter Hendrickx is currently the Head of Prudential Policy Insurance at the National Bank of Belgium. In addition to being Chair of the Macroprudential Committee, Dieter currently also serves as Chair of the Macroprudential Monitoring Working Group and as a proxy member of the Policy Development Committee at the IAIS. He also sits on the Board of Supervisors and the Supervisory Steering committee at EIOPA.

Gary D. Anderson is currently the Commissioner of the Massachusetts Division of Insurance. In addition to being Chair of the Policy Development Committee, Gary serves as a member of the IAIS Executive Committee. Gary is also the Chair of the National Association of Insurance Commissioners' (NAIC) International Insurance Relations (G) Committee and the NAIC's Executive Committee.

The Selection Committee appointed:

- Matti Peltonen (USA, FRB) as a second Vice Chair of the Infrastructure Task Force

Committee and Subcommittee Activities

Committee Activities

Budget Committee

The Budget Committee met via conference call on 1 July. Members discussed the forecasted impact of Covid-19 on the IAIS' 2020 Budget. The Committee also discussed a memorandum on how the IAIS Secretariat will proceed with implementing the revised methodology and data collection for the triennial membership fee recalibration.

Secretariat Support: jay.muska@bis.org and joao.carneiro@bis.org

Executive Committee

In line with the decision made by the Executive Committee on its conference call of 26 March to schedule dedicated teleconferences on a bi-weekly basis to monitor Covid-19 developments, the Executive Committee held the last of such teleconferences on 11 June. During this call, a number of standing items were discussed including:

- an update from the Secretariat on IAIS activities undertaken in response to Covid-19; and

- a presentation by the Secretariat on the latest version of the “risk dashboard” of public indicators and Covid-19 data collection.

In place of the in-person ExCo meeting that was originally scheduled to take place in June in Seattle, USA, ExCo held teleconferences on 23 and 24 June. During these calls, the Committee:

- approved the revised mandate of the Audit and Risk Committee (ARC);
- agreed to make additional refinements to its work programme for 2020 and 2021 and specifically agreed to: (i) hold all in-person Working Group and Committee meetings for the remainder of 2020 virtually; and (ii) focus the September ExCo Retreat on a strategic discussion concerning the longer-term implications of the Covid-19 pandemic on IAIS activities;
- agreed on the process, scope and content of the public register of Internationally Active Insurance Groups (IAIGs);
- approved the establishment of an Operational Resilience Task Force (ORTF);
- approved the final report on the Member Assessment Process (MAP) on Morocco;
- approved the publication of the Aggregate Report of the Peer Review Process (PRP) on ICPs 4, 5, 7 & 8;
- approved the adoption and subsequent publication of the Application Paper on Liquidity Risk Management;
- discussed initial considerations on the targeted jurisdictional assessments of implementation of the Holistic Framework supervisory material; and
- discussed initial considerations for potential further work on supervisory responses to Covid-19.

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Implementation and Assessment Committee

The Implementation and Assessment Committee (IAC) met on 17 June. The Committee:

- approved to recommend to the Executive Committee the adoption of the Application Paper on Liquidity Risk Management;
- received an update on the progress of the Application Paper on Supervision of Climate-related Risks and a work plan on the proposed workplan for revision of the Application Paper on Supervisory Colleges;
- approved to recommend to ExCo the approval of the publication of the Aggregate Report of the Peer Review Process on ICPs 4, 5, 7 & 8 and the report for the Member Assessment of Morocco;
- received an update on the Peer Review Process (PRP) on Insurance Core Principle (ICP) 19;
- discussed the targeted jurisdictional assessments of the implementation of the Holistic Framework supervisory material; and
- received an update from the FSI and the A2ii on their recent and upcoming activities, particularly those undertaken in response to the Covid-19 crisis.

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Macroprudential Committee

The Macroprudential Committee (MPC) met on 22 June by teleconference. The MPC approved the Application Paper on Liquidity Risk Management, which was revised following public consultation during November 2019 and January 2020.

The MPC further received updates on the Covid-19 targeted assessment as well as on the holistic framework implementation assessment targeted jurisdictional assessment. Lastly, the MPC discussed the impact of Covid-19 on the

roadmap project plans under the oversight of the MPC.

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Policy Development Committee

The Policy Development Committee (PDC) met on 16 June by teleconference. The Committee made the following decisions:

- approval to recommend to the Executive Committee the publication of the public register of IAIGs in early July, with possible updates to reflect identification of IAIGs publicly disclosed by group-wide supervisors by 30 June.
- approval to recommend to the ExCo the establishment of an Operational

Resilience Task Force and the mandate of the Task Force.

In addition, the committee discussed following items:

- a reference ICS Results Dashboard for Supervisory Colleges;
- the proposed scope and structure of the Issues Paper on Adapting to Emerg(ing)ed Risks;
- the Application Paper on Climate-related Risks in the Insurance Sector; and
- the review of 2020-2021 Roadmap contingency plans in light of Covid-19

Secretariat Support:

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Subcommittee Activities

Accounting and Auditing Working Group

The Accounting and Auditing Working Group (AAWG) met by teleconference on 2-3 June and 25 June. Members shared initial thoughts on future work and the AAWG's projects under the 2020-2021 Roadmap. The AAWG also discussed the IASB Workplan, the status of the Monitoring Group reform paper, providing Supervisors with opportunities to discuss the implementation of IFRS 17, reviewed internal surveys on impairment accounting and the interest rate environment, and discussed audit quality issues with the FSB Secretariat.

The Working Group will hold a call in July to discuss comment letters to the IASB on Primary Financial Statements and to IAASB on ISA 600.

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Capital, Solvency and Field Testing Working Group

The Capital, Solvency and Field Testing Working Group (CSFWG) held a virtual meeting for ICS and AM Volunteer Groups on 6 May. The Volunteer Groups provided feedback on

how the IAIS can provide support during the reporting period and the best timing for virtual workshops. In response, a virtual workshop was held for ICS Volunteer Groups on 10 June and AM Volunteer Groups on 8 July, providing an open dialogue to discuss the respective reporting packages.

CSFWG is also planning to hold virtual meetings for both ICS and AM Volunteer Groups on 29 July, 26 August and 24 September to discuss progress during the reporting period. CSFWG will next meet virtually on 15 September.

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Financial Crime Task Force

The Financial Crime Task Force (FCTF) met by teleconference on 18 June. Items discussed included organising the work to revise the Application Paper on AML and CFT, firstly published in 2013.

Members also discussed recent AML/CFT developments globally and in Members' jurisdictions.

The next teleconference will be held in September.

Secretariat Support: alessandro.nardi@bis.org

Governance Working Group

The Governance Working Group (GWG) met by teleconference on 3 June and discussed the Issues Paper on Adapting to Emerg(ing)ed Risks from a Corporate Governance and Risk Management Perspective, the Issues Paper on Drivers of Culture and to discuss the organisation of the IAIS' work on operational resilience in the insurance sector.

Secretariat Support:
grzegorz.komarnicki@bis.org

Macropprudential Monitoring Working Group

The Macropprudential Monitoring Working Group (MMWG) met by teleconference on 15 June to discuss the preliminary results of the targeted assessment of the impact of Covid-19 on the global insurance sector as well as the draft outline of the Liquidity Metrics consultation paper.

Secretariat Support: Nicolas.Colpaert@bis.org

Market Conduct Working Group

The Market Conduct Working Group (MCWG) met by teleconference on 4 June.

The MCWG discussed key projects for the rest of the year, specifically:

- ongoing development of the draft Issues Paper on Insurer Culture, looking at the interconnectedness of conduct and prudential risks, jointly with the GWG; and
 - refinement of a draft member survey to help inform future work on the use of key indicators to assess conduct-related outcomes, planned for 2021.
-

Members also discussed conduct-related supervisory responses and trends arising from Covid-19, including proposals to incorporate lessons and insights from the crisis into the current and future work plan of the MCWG.

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Resolution Working Group

The Resolution Working Group (ReWG) met by teleconference on 10 June to further discuss the development of the Application Paper on Resolution Powers and Planning.

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Standards Assessment Working Group

The Standards Assessment Working Group (SAWG) met by teleconference on 28 May. The SAWG:

- approved the final report from the Peer Review Process (PRP) on ICPs 4, 5, 7 and 8 (Corporate and Risk Governance) for submission to the IAC;
- received an update on the status of the Peer Review Process (PRP) on ICP 19 (Conduct of Business);
- approved the final report from the Member Assessment Programme (MAP) for Morocco, for submission to the IAC.
- discussed the work underway by the Holistic Framework Implementation Assessment (HF-IA) workstream to develop an approach for targeted jurisdictional assessments of the Holistic Framework supervisory material; and
- discussed the medium to long term assessment strategy under the IAIS' Coordinated Implementation Framework.

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Access to Insurance Initiative (A2ii) Report



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

The A2ii taking precautionary measures related to COVID-19 (coronavirus)

To safeguard the well-being of the A2ii staff and its partners, the A2ii is cancelling or postponing all physical events through the end of the year and exploring the use of virtual formats when possible. Events that are scheduled to take place from January 2021 onwards are currently under review. The A2ii will communicate any changes pertaining to our events on our website, social media channels and through our newsletter.

Covid-19



Covid-19 Insurance Supervisory Response Tracker

We have a special page on our website dedicated to tracking worldwide supervisory

responses, insurance news and learning resources (such as webinars).

Feel free to share relevant news with us via secretariat@a2ii.org, by tagging Access to Insurance Initiative on LinkedIn or by mentioning us on Twitter.



A2ii-IAIS webinars

This year, due to the Covid-19 pandemic, the A2ii and the IAIS are hosting exceptional webinars covering different aspects of the crisis and helping supervisors in their response. This includes the upcoming three-part series on pandemic risk (three webinars, two of which are open to all stakeholders).

Summaries of the webinars can be found on our [blog](#). For more information visit the [webinars' page](#).

Recent Events

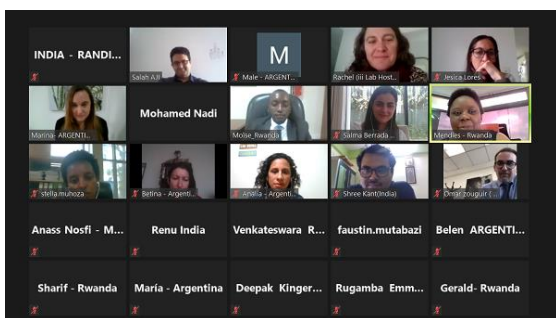
Inclusive Insurance Innovation Lab: First Global Call launches international lab process | 24 June

After three months of working in their respective country teams, the iii-lab participants from Argentina, India, Morocco and Rwanda finally had the chance to virtually meet each other in the long-anticipated first global call of the iii-lab 2020/21.



During an interactive and lively two hours, 41 lab members built the foundations of an international lab community, sharing their pressing questions with each other as well as the expertise that they have to offer. The lab's hosting team was busy collecting and clustering all offers and will design the next sessions based on these insights.

Due to Covid-19 travel restrictions, the face to face international workshop that was originally scheduled to take place in June had to be moved entirely online. Instead, the international process will now take place in the form of monthly global calls until international travel between all countries is possible again. While moving the programme online cannot replace the experience of meeting face-to-face, the teams have shown that they are eager to meet and learn from each other also in the online world. The iii-lab hosting team is continuously learning about online processes and adapting its programme to meet participants' needs. Follow the process on the new [iii-lab page](#).



The Inclusive Insurance Innovation Lab (iii-lab) is an international capacity-building programme where 4 countries' teams work on innovative solutions to advance the development of their insurance market.

A2ii attends the GPFi Second Plenary, Saudi Arabian G20 Presidency | 24 – 25 June



Through virtual means, the A2ii participated in the Global Partnership for Financial Inclusion (GPFi) Plenary meeting on 25 and 26 June. Under the Chairmanship of the Saudi Arabian G20 presidency, the priority topics of Covid-19, digital, women, SMEs and youth were discussed. In addition, discussion was held on the GPFi's Financial Inclusion Action Plan for the period 2021-2024 as well as its accompanying Terms of Reference.

All members agreed that Covid-19 should be added as a high priority to the GPFi's work with members and international organisations, including the A2ii, using the opportunity to share their initiatives on the topic.

The A2ii also briefly took the opportunity to highlight the insurance protection gap exposed by the crisis and the need for insurance to be part of a more resilient solution for the future.

A paper containing High Level Policy Guidelines on digital financial inclusion of women, youth and SMEs was endorsed at the meeting for final approval by Finance Ministers at their meeting in July.

A2ii participates in Cenfri webinar on the 'Impact of COVID-19 on the sustainability of African insurance markets' | 25 June

In partnership with FSD Africa, Cenfri hosted a webinar on the impact of Covid-19 on the sustainability of African Insurance Markets.

The A2ii explored the impact of Covid-19 on insurance supervisor and the insurance sector jointly with panellists from FSD Africa and the Mauritius Insurance Association. While all three of the panellists came from different perspectives, there were some common underlying themes throughout the discussion.

This included the fact that while insurers had had to respond to the pandemic on multiple fronts, the impact for some had been much more severe with certain insurers now facing an uncertain outlook.

The long-term challenges ahead included the need to preserve and attract new customers on a continent with low insurance penetration.

The webinar ended on a positive note by acknowledging that while there were immediate challenges to address, the crisis was also an opportunity for markets to strengthen, consolidate and for the insurance sector to re-evaluate their business models.

The A2ii was keen to highlight that this was an opportunity for the sector and for supervisors to embrace digitalisation and put consumers at the forefront of product design.

A2ii-IAIS Consultation Call webinar series on the coronavirus (Covid-19) pandemic and implications for insurance supervisors | 18 and 30 June, WebEx



**Coronavirus (COVID-19) pandemic and implications for insurance supervisors
- A2ii-IAIS webinar series -**

In June, the A2ii has seen the continuation of its exceptional webinar series on Covid-19. On 18 June, we were fortunate enough to host supervisors from Hong Kong Insurance Authority, NIC-Ghana, EIOPA, ACAPS-Morocco and SUSEP-Brazil in a supervisory dialogue.

The dialogue on digitalisation explored the impact of Covid-19 on supervisory processes across various jurisdictions. In particular, it covered the challenges faced by supervisory authorities in the transition to remote working and supervision. Supervisors also outlined what they refer to as "temporary measures" that they have introduced to facilitate remote distribution to ensure that consumers still have access to insurance products. Examples included the increasing use of e-signatures and the development of regulatory guidelines on distance selling. The call concluded with the general consensus that the pandemic would lead to longer-term opportunities and incentives for supervisors and insurers to embrace digitalisation.

In the sixth webinar in this series, on 30 June, we partnered with Cenfri and AXA Emerging Customers who presented their research and work on remittances and remittance-linked insurance products. Cenfri presented their recently published report on the [potential of](#)

[remittance-linked insurance products in sub-Saharan Africa](#) and highlighted the regulatory barriers and considerations that supervisors need to consider.

This was combined with AXA's research and practical experience in countries such as Malaysia and the UAE with insurance linked remittances. AXA pointed to their recent partnership with the Western Union to offer remittance-linked insurance to their customers as an example of how supervisors can overcome regulatory barriers.

Upcoming Events

New A2ii-IAIS pandemic risks webinar series | 13 July, 23 July, 30 July, WebEx

The next series of webinars on Covid-19 will focus on **pandemic risks**. There will be three webinars over a three-week period. Participation for the initial webinars on [13 July](#) and [23 July](#) will also be **open to all**, while the [30 July call](#) is limited to **supervisors only**.

The first webinar in this three-part series will explore public-sector initiatives including catastrophic risk insurance facilities and programmes to address **the protection gap**. It will also touch on the role of supervisors, the insurance industry and policymakers to work together to address it. In a moderated expert dialogue, we will hear from a range of experts including the Asian Development Bank, World Bank, Africa Risk Capacity and the United Nations Development Program.

Please look out for further details and registration information on our [website](#).

If you have any suggestions or topics that you would like the A2ii to specifically cover for this

webinar series, then please don't hesitate to get in touch via consultation.call@a2ii.org.

Blog

A2ii Insights: The impact of Covid-19 on the uninsured and vulnerable and implications for supervisors

by Carolyn Barsulai, A2ii

To flatten the curve of Covid-19 and save lives, countries have widely accepted social distancing, setting off the slowdown of economic activity worldwide. Where remote work is not an option, reduced contact measures mean reduced earnings. For populations of low-and-middle-income countries, the cost of social distancing is proving higher than for those in developed countries. [Continue reading...](#)

The impact of Covid-19 in the Costa Rican insurance sector - an interview with Tomás Soley of SUGESE

by Regina Simões, A2ii

Different jurisdictions and sector regulators have created special measures to deal with this crisis, reduce systemic risk and ensure market liquidity. This period will pass and we must ensure that these temporary measures do not affect the sustainability of the financial and insurance system in the medium and long term. [Continue reading...](#)

You can read this Spanish blog post in your own language with our built-in translator.

Publications

The [Spanish](#) and [French](#) versions of the report on the 2018 Consultative Forums on [InsurTech – Rising to the Regulatory Challenge](#) are now available.

This report is a summary of discussions and key messages from three Consultative Forums on InsurTech which took place in Africa, Asia and Latin America, organised by the International Association of Insurance Supervisors (IAIS), the Access to Insurance Initiative (A2ii) and Microinsurance Network (MiN). The forums provided a platform for in-depth discussions about the future of insurance and regulation given the rise of new digital technologies. Over two hundred high-ranking representatives from insurance companies, digital providers, policymakers and regulators from 49 countries shared their views on how different stakeholders can work together to facilitate innovation, consumer protection and market development.

A2ii publishes the Spanish translation of the 'Insurance for Women: Specific Needs and Inclusion' event report

Following the [English report](#), the A2ii has now released the [Spanish translation](#) of the report Insurance for Women: Specific Needs and Inclusion. The Roundtable on “Insurance for Women: Specific Needs and Inclusion” was jointly organised by the Superintendencia de Seguros de la Nación (SSN) and the Access to Insurance Initiative (A2ii), with the support of the International Association of Insurance Supervisors (IAIS), and it was held on 12 June 2019 in Buenos Aires, Argentina.

Financial Stability Institute



The Financial Stability Institute (FSI) was jointly created in 1998 by the Bank for International Settlements and the Basel Committee on Banking Supervision to assist supervisors around the world in improving and strengthening their financial systems.

FSI-IAIS webcast on business interruption insurance in light of Covid-19

The IAIS and the Financial Stability Institute (FSI) of the Bank for International Settlements hosted a webcast on business interruption (BI) insurance on 26 June for IAIS Members. 268 participants from 52 jurisdictions registered for the event.

A panel of expert speakers offered different perspectives on the topic, covering prudential, conduct, actuarial and legal aspects such as:

- trade-offs between fair treatment of policyholders (in terms of meeting their coverage expectations) versus solvency of insurers
- how current issues related to BI insurance could affect trust in, and reputation of the insurance industry
- differentiation between BI cover, which needs property damage as a trigger, and contingent BI (CBI) cover, which is aimed to protect pure financial loss
- challenges in designing a viable BI policy that covers pandemic risk and the role of risk mitigating measures as well as administrative orders by (local) governments
- actuarial justification for excluding pandemic events from BI policies, eg lack of diversification
- legal obligations typically imposed on business owners in making BI claims



- possible ways to reduce legal ambiguity of contractual terms in BI policies and transparency towards policyholders
- size of the US BI insurance market and extent of coverage against pandemic risk

In response to poll questions posed during the webinar, 61% of participants thought that some insurers could face solvency difficulties due to claims arising from BI insurance. 55% of them felt that policyholders have not been treated unfairly due to denial of claims by insurers based on clear exclusion of pandemic events. Looking ahead, 62% of the polled participants think that future pandemic risk such as Covid-19 is insurable by (re)insurers. In the debate and during Q&As, also the necessity of government backstops was addressed. It was also emphasised that emerging and developing markets may face huge insurance coverage gaps and that public private partnerships are being explored.

IAIS Members can view a recording of the webinar in the Covid-19 section of the IAIS' members-only website.

The webcast was moderated by Manuela Zweimueller from the IAIS Secretariat and Jeffery Yong from the FSI. The IAIS and the FSI would like to thank the following panelists for participating in the webcast:

- Ralph Blanchard, Actuary

- Aaron L Brandenburg, National Association of Insurance Commissioners
- Nigel Cooper QC, Quadrant Chambers
- Suzette Vogelsang, Prudential Authority, South African Reserve Bank

FSI Connect

A new Executive Summary on ICS – Credit Risk Charges was published in June. The publication can be accessed on the BIS [website](#) as well as on [FSI Connect](#).

FSI Events

The CBIRC-FSI virtual seminar on key elements of IAIS standards on insurance supervision kicked off on 1 July with a presentation on the ICPs by Conor Donaldson, Head of Implementation of the IAIS Secretariat. 121 participants from 11 jurisdictions registered for the virtual seminar.

This year's 7th FIRST ONE online course will run from 20 August to 24 November with over 350 participants from over 45 jurisdictions.

About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions. The mission of the IAIS is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

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

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

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The publication is available free of charge on the IAIS website (www.iaisweb.org).

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