

Newsletter

April 2021

Issue 103



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

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Calendar Notes

Mark your calendars – The 2021 Global Seminar and ExCo Dialogue will take place virtually on 23 June (13.00-15.30 CEST), providing an opportunity to update stakeholders and answer questions about the IAIS' work.

Registration details and further information about the two sessions will be shared in May.

From the Secretary General

Earlier this week the IAIS shared with the Financial Stability Board (FSB) a progress update on the first year of implementation of the Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector (Holistic Framework). Despite the enormous challenges of 2020, I am pleased to see the significant progress the IAIS and its Members have made, both in terms of implementation of the



supervisory standards and in the monitoring of financial stability risks to the global insurance sector.

The Global Monitoring Exercise (GME), the IAIS' risk assessment framework aimed at monitoring key risks and trends and the possible build-up of systemic risk in the global insurance sector, launched in 2020. Due to the pandemic, the IAIS elected to focus the GME on the impact of Covid-19 on the global insurance sector. The [GME found that while the global insurance sector demonstrated resilience in 2020, looking ahead, vulnerabilities remain](#). Accordingly, the IAIS is continuing to monitor and assess the impact of Covid-19 on the global sector, while also completing the regular GME - this time collecting both year-end 2019 and year-end 2020 data. ExCo will have a collective discussion on the potential build-up of systemic risk in the insurance sector at its September meeting.

The assessment of implementation of the Holistic Framework supervisory material also began last year. It is proceeding in phases, having started with a Baseline Assessment (BLA) and proceeding to more intensive Targeted Jurisdictional Assessments (TJAs) in 2021. Taken together, these assessments will provide a clear and transparent picture of how far supervisors have come in the implementation of the supervisory material.

For the 2020 BLA, a total of 26 jurisdictions participated, covering over 90% of the global insurance market and representing a geographically balanced sample. Overall, the BLA reflects a high level of observance and indicates that the 26 participating jurisdictions have made good progress with implementing the relevant standards of the Holistic Framework. The 26 jurisdictions include all 16 jurisdictions identified as being a group-wide supervisor of at least one Internationally Active Insurance Group (IAIG). This progress is particularly positive given that it was achieved in the context of the broader challenges of the global Covid-19 pandemic in 2020. The IAIS will publish a high-level report that provides BLA results for each participating jurisdiction soon.



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

The second phase of implementation assessment, the more intensive TJAs covering ten jurisdictions, was launched in March 2021 and will provide more in-depth verification of supervisory practices.

Undoubtedly, IAIS guidance in the form of [Application Papers](#) on various topics related to macroprudential supervision, recovery and resolution have helped support the understanding and implementation of the new and enhanced Insurance Core Principle (ICP)

and ComFrame standards. In closing, the Holistic Framework has already proven its worth this past year in terms of facilitating a focus on potential systemic risk that can arise both from sector-wide trends and from a concentration of activities and exposures in individual insurers. The comprehensive and consistent implementation of the Holistic Framework will be key to its success, so it is good to see that we are well on our way.

Jonathan Dixon, Secretary General

In Focus...

Redefining insurance supervision for the new normal

The Covid-19 pandemic tested the operational resilience and adaptability of insurers and insurance supervisors worldwide. Challenges faced and adjustments implemented during the crisis are set to shape the future “new normal” of insurance supervision.

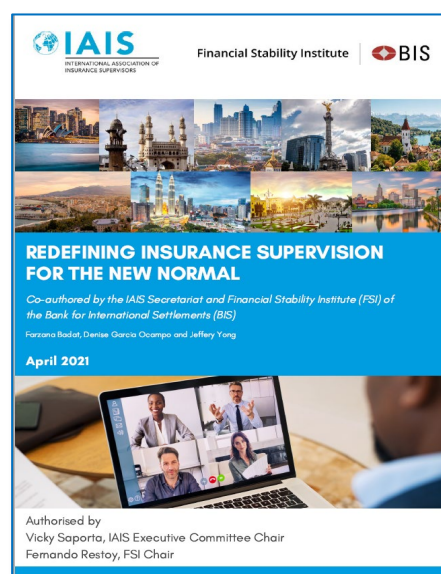
On 9 April, the IAIS together with the Financial Stability Institute (FSI) published [a joint note](#) drafted by IAIS and FSI staff that examines measures taken by insurance supervisors to help them adapt to remote working and accelerated digitalisation demands during the Covid-19 crisis. Based on interviews with senior officials from several insurance supervisory authorities, the note describes how insurance supervisors transitioned to remote working since the onset of the crisis, and how this transition has affected their supervisory processes and activities. It also highlights vital human resource and team cohesion aspects that enabled supervisors to adjust more smoothly to these transitions.

Using insights derived during the crisis, the note also explores the potential longer-term impacts of prolonged remote working and proposes some key considerations for insurance supervisors as they continue adjusting to the new normal of digitalisation well into the post-Covid future.

Building back better for insurance supervisors

Lessons learnt from the Covid-19 crisis will be critical to future-proof insurance supervision:

- **Streamlined and agile supervisory processes backed by resilient digital infrastructure** and closer engagement with insurers and other regulatory agencies will help insurance supervisors cope with future unexpected disruptions.
- Insurance supervision in the new normal will **redefine the demarcation between on-site and off-site supervision**, with elements of remote supervision becoming a mainstay to enable more efficient and effective supervisory oversight in the future. However, **remote supervision cannot entirely replace on-site supervision** especially in assessing behavioural aspects of insurers.



- **Proper support structures to ensure the ongoing health and wellbeing of supervisory teams** will be vital to maintaining effective supervisory oversight in prolonged remote working environments.
- The pandemic accelerated the digitalisation of both insurance supervisory processes and the insurance business value chain. **As the pace and scale of digital transformation continues to increase, so will cyber security and policyholder protection risks**, which must be appropriately managed.
- **Supervisors will need to apply a more holistic approach to technology investments in the future.** Adoption of new supervisory technologies will need to be complemented with capacity building programmes that equip supervisors with new digital skill sets required to adapt to supervision in the new normal.

Global coordination efforts to ensure future supervisory resilience

The note concludes that learnings from the current pandemic will be influential in helping to ensure the resilience and continuity of insurance supervision during future crises. To facilitate this, it may be worthwhile for the international supervisory community to consider enhanced global coordination efforts relating to:

- Development of international guidance on emerging good practices for virtual supervision;
- Crisis simulation exercises to assess the resilience of cross-border regulatory coordination and supervisory processes; and
- Investments to develop reusable supervisory technologies that can yield shared benefits for the global supervisory community.

To access the note on the IAIS website please click [here](#).

The note is also available as an FSI Brief on the website of the Bank for International Settlements (BIS) [here](#).

For more information contact Farzana Badat at farzana.badat@bis.org.

News Updates

Launch of the 2021 Global Monitoring Exercise

On 1 April, the IAIS launched the 2021 Global Monitoring Exercise (GME), aimed at monitoring key risks and trends and the possible build-up of systemic risk in the global insurance sector.

The GME consists of two key components: (1) the Individual Insurer Monitoring (IIM), which builds on analysis of data collected from individual insurers; and (2) the Sector-Wide Monitoring (SWM), which builds on analysis of data collected from insurance supervisors. As the GME was repurposed last year to assess the impact of Covid-19 on the sector¹, the 2021 IIM and SWM data analysis will cover year-end 2019 and year-end 2020, as well as a more forward looking perspective provided through the qualitative component.

Approximately 60 of the largest international insurance groups, headquartered across 18 jurisdictions, are participating in the 2021 IIM and around 45 jurisdictions are participating in the 2021 SWM, covering over 90% of global gross written insurance premiums

¹see [IAIS 2020 Global Insurance Market Report, Covid-19 edition](#)

In the third quarter 2021, the IAIS will have a collective discussion to address potential build-up of systemic risk in the global insurance sector, coordinate supervisory response and formulate recommendations and next steps.

The outcome of the 2021 GME will be reported to the Financial Stability Board and non-confidential items will be shared publicly in the IAIS Global Insurance Market Report (GIMAR), expected to be published towards the end of the year.

More details on the IAIS GME, which is at the centre of the IAIS' Mission to further global coordination and cooperation in support of policyholder protection and the maintenance of global financial stability, can be found [here](#).

For more information contact Nicolas Colpaert at nicolas.colpaert@bis.org.

Eurofi High Level Seminar | 14 April

IAIS Secretary General [Jonathan Dixon](#) spoke at the Eurofi High Level Seminar, a virtual event organised in association with the Portuguese EU Presidency on 14 April. Eurofi is a European industry-funded body dedicated to financial services with the objective to improve the common understanding among the public and private sectors of the trends and risks affecting the financial sector.

During his session, Jonathan set out the benefits of the post-crisis reforms, providing the necessary tools and common global language for insurance supervisors to maintain financial stability in the insurance sector. He highlighted the continued momentum of work to develop an Insurance Capital Standard (ICS), following the completion of the first year of the ICS monitoring period and encouraged more insurers to join the growing number of volunteer insurance groups taking part in the monitoring period to ensure that the final standard is suitable for a wide range of business models from all different parts of the world. He noted that the Covid-19 pandemic has provided a real-life lens through which to assess the performance of the ICS and evaluate the importance of a global insurance standard in periods of global stress.



The risks and opportunities of climate change for the insurance sector was also a topic of discussion. Jonathan expressed the importance of the topic to the IAIS, given that climate change effects all core aspects of the IAIS' mission and recognising the central role insurers will need to play in a smooth transition to net zero. Supervisors also play a critical role in supporting this transition, both from a micro- and macroprudential perspective. The IAIS has a robust toolkit of risk assessment, supervisory guidance and capacity building to support supervisors in this regard, and is planning to expand this important work over the coming year in partnership with various networks, fellow standard-setting bodies and stakeholders.

To access the Eurofi magazine, which includes a submission from the IAIS, please click [here](#).

For more information contact the Secretariat at iais@bis.org.

A2ii-IAIS Public Dialogue on Insurance and the SDGs | 22 April

On Earth Day, the A2ii's Head of Secretariat, [Hannah Grant](#), and the IAIS' Head of Implementation, [Conor Donaldson](#), welcomed close to 200 participants from 50 different countries to the A2ii-IAIS Public Dialogue on Insurance and the Sustainable Development Goals (SDGs).

The event was opened by a [pre-recorded message](#) from Her Majesty Queen Máxima of the Netherlands, United Nations Secretary-General's Special Advocate for Inclusive Finance for Development ([UNSGSA](#)). In her keynote, Queen Máxima addressed the devastating impact the pandemic has had on the uninsured for current and future generations and the role that access to insurance must now play in responding to the crisis, concluding that in order to achieve the 2030 Agenda, it is critical to accelerate insurance as a risk protection mechanism. This was followed by a [keynote message from the IAIS](#) delivered by Peter Braumüller, Chair of the A2ii and IAIS Implementation and Assessment Committee. He highlighted and demonstrated the IAIS' longstanding commitment and work on sustainability, climate risk and financial inclusion, reiterating the need for collaboration and a multi-stakeholder approach in addressing these complex issues. He also highlighted the IAIS' key partnerships including the A2ii, the Sustainable Insurance Forum (SIF) and the Network for Greening the Financial System (NGFS).



A panel discussion followed with leading experts: Susan Holliday, Senior Advisor at the International Finance Corporation (IFC), Garance Wattez-Richard, CEO at AXA Emerging Customers, Craig Churchill, Chief of the Social Finance Programme and Team Leader at ILO's Impact Insurance Facility and Christiaan Henning, Senior Insurance Analyst at the South African Reserve Bank (SARB). The panel discussion started with an overview of the role insurance is playing in delivering the SDGs with examples shared by AXA EC and the ILO's Impact Insurance Facility. The World Bank focused on the challenges they have encountered when trying to measure the impact that insurance has on the SDGs amongst the absence of indicators and data. Meanwhile, SARB touched on the challenges that supervisors face when aligning their supervisory mandate with the SDGs and how the goals generally relate to the financial system. However, all panellists agreed that the role insurance plays in supporting sustainable development needs to be better recognised by policymakers and others outside of the insurance sector. Although impact data is lacking, panellists proposed a number of specific actions to try and ensure the insurance sectors contribution is both better recognised and more fully utilised.

For more information please [visit A2ii's website](#).

2020 in Numbers

What was the IAIS up to in 2020? With the Association's Annual Report still six months from being published, we pulled together a brief overview of the many varied activities undertaken to support the IAIS' mission last year.

We look forward to elaborating on these activities later this year and also giving more insight into our strategic themes and less quantifiable policy work.

IAIS - 2020 IN NUMBERS

PUBLISHED

- ◆ **2 Issues Papers:**
 - ⇒ Issues Paper on the Use of Big Data Analytics in Insurance
 - ⇒ Issues Paper on the Implementation of the TCFD Recommendations
- ◆ **1 Application Paper:**
 - ⇒ Application Paper on Liquidity Risk Management
- ◆ **3 Reports:**
 - ⇒ Supervisory issues associated with benchmark transition from an insurance perspective report (LIBOR)


LAUNCHED

- ◆ **2 Task Forces**
 - ⇒ Infrastructure Task Force (ITF)
 - ⇒ Operational Resilience Task Force (ORTF)
- ◆ **8 Public Consultations and Surveys**
- ◆ **6 Member Consultations and Surveys**
- ◆ **Finalised Peer Review Process (PRP) on ICPs 4, 5, 7 and 8; launched PRP on ICP 19**
- ◆ **Member Assessment Process: Morocco**
- ◆ **Baseline assessment of implementation of the Holistic Framework supervisory material**
- ◆ **Global Monitoring Exercise, repurposed to assess the impact of Covid-19**


WELCOMED

- ◆ **5 new IAIS Members:**
 - ⇒ Angolan Insurance Regulation and Supervision Agency
 - ⇒ Financial Services Regulatory Authority of Ontario (Canada)
 - ⇒ International Financial Services Centres Authority (India)
 - ⇒ National Bank of Ukraine
 - ⇒ Insurance and Pensions Commission (Zimbabwe)
- ◆ **3 new signatories to MMoU:**
 - ⇒ Louisiana Department of Insurance


ENGAGED

- ◆ **First Virtual Global Seminar**
 - ⇒ **500 attendees**
- ◆ **First Virtual AGM/AC**
 - ⇒ **720 attendees**
- ◆ **11 Stakeholder consultations and workshops**
- ◆ **Roundtable with Chief Risk Officers**
- ◆ **Participated in 45+ external speaking engagements at ~30 partner/stakeholders events**
- ◆ **Member of SIF, FSB Financial Innovation Network and NGFS**


SUPPORTED

- ◆ **7th FIRST ONE programme with over 400 participants from over 45 jurisdictions**
- ◆ **9 IAIS-A2ii Special Webinars on:**
 - ⇒ Covid-19 pandemic and implications for insurance supervisors (6)
 - ⇒ Pandemic risks (3)


COMMUNICATED

- ◆ **14 Press Releases**
- ◆ **8 IAIS Newsletters**
- ◆ **2019 Annual Report**
- ◆ **4.1 M webpage visits**
- ◆ **635K downloads**
- ◆ **2020 LinkedIn followers**

For more information contact the Secretariat at iais@bis.org.

Stakeholder Engagement

IIF/EY Insurance Series: Climate Risks and Opportunities for Life and Retirement Insurers and Asset Managers | 12 March

Speaking at a [conference](#) hosted by the International Institute of Finance (IIF) and Ernst and Young (EY) on 12 March, IAIS Chair [Vicky Saporta](#) set out the need for insurers and supervisors to act now to tackle climate risks. Vicky said that insurers have a central role to play in a smooth climate transition, while supervisors can support the embedding of effective risk management to assess and address climate risks.

From a macroprudential perspective, this year the IAIS will undertake a deep dive analysis on the potential financial stability implications of insurers' investment exposures to climate-related risks. From a microprudential perspective, the IAIS will shortly finalise a comprehensive guide to actions insurance supervisors can take to better understand and manage climate risk. It discusses areas including supervisory reporting, governance and risk management, investment policies and disclosures and provides various practical examples of our Members' experiences.

Vicky noted that there is complete consensus on the need for action within the global insurance supervisory community and reiterated the IAIS' support for a proposal by the Trustees of the [IFRS Foundation](#) to establish a new Sustainability Standards Board to contribute to the development of global sustainability standards. Later this year, the IAIS will set out further planned work that will be focused on activities to support insurance supervisors to meet our core objectives to protect policyholders and maintain financial stability in the face of the unprecedented risks posed by climate change. Vicky highlighted the importance of cooperation between the IAIS and the other international financial standard-setters as further work is developed.

For more information contact the Secretariat at iais@bis.org.

ISRG - Global Solutions to Global Problems: Promoting Regulatory Coherence in Financial Services for Pandemic Recovery | 18 March

Speaking on a [panel discussion](#) organised by the City of London Corporation, Deputy Secretary [Romain Paserot](#) welcomed the unprecedented cooperation and collaboration seen during the Covid-19 crisis as IAIS Members came together to assess and respond to the emerging risks presented by the pandemic. He noted that global regulatory coherence both reduced the negative fallout of the crisis for the financial system during the height of the crisis and will support pandemic recovery and economic growth. Additionally, he noted that over the next two years, the IAIS will embed emerging lessons learned from the pandemic to further improve the cross-border coordination and collaboration seen over the last year between insurance supervisors.

For more information contact the Secretariat at iais@bis.org.

Meetings and Events

Upcoming IAIS Meetings: May – June 2021

In line with the decision taken at the March 2021 Executive Committee meetings, all in-person IAIS meetings until end-August 2021 will be replaced with virtual meetings, as appropriate.

Members should visit the IAIS website at www.iaisweb.org for the latest updates. The following groups are scheduled to meet virtually between May and June 2021:

Date	Group
May 2021	
6 May	Macroprudential Committee (ExCo invited)
17 May	Insurance Groups Working Group
18 May	Operational Resilience Task Force
25 May	Standards Assessment Working Group
26-27 May	Capital, Solvency and Field Testing Working Group (CSFWG)
27 May	Accounting & Audit Working Group
June 2021	
1 June	Governance Working Group
3 June	Resolution Working Group
8 June	Macroprudential Supervision Working Group
9 June	Implementation & Assessment Committee
10 June	Audit and Risk Committee
16 June	Policy Development Committee
17 June	Macroprudential Committee
18 June	Insurance Capital Standard and Comparability Task Force

21-22 June	Executive Committee
23 June	Global Seminar
29 June	CSFWG
30 June	Budget Committee
30 June	Infrastructure Task Force
TBC	Market Conduct Working Group
TBC	ICS Stakeholder event

Stakeholder Meetings

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

Seminars and Training

Sub-Saharan African regional meeting | 15-16 March

The sub-Saharan African regional meeting of the IAIS took place from 15-16 March. The meeting provided supervisors from across sub-Saharan Africa the opportunity to engage on topical issues impacting insurers such as developments in climate change, cyber security, business interruption insurance, Covid-19 and its impact.

Participants shared information on regulatory and supervisory developments and strategic initiatives in their respective jurisdictions. Conor Donaldson provided an update on the IAIS' work and discussed how input from Members in the region can be integrated into the work of the Association. Hannah Grant from the A2ii provided an update on the Insurance Index, the IAIS' Financial Inclusion Forum and the conclusions from a survey on the impact of Covid-19 on insurance supervision. The FSI provided an update on their capacity building work for insurance supervisors and an update on implementation of IFRS17 along with insights into the implementation of this new international accounting standard.

For more information contact the Secretariat at iais@bis.org.

IAIS-FSI-ASSAL High-level virtual meeting on insurance supervision | 21 April

Senior insurance supervisors from Latin America met to discuss developments in the regional insurance industry and the challenges supervisors are facing in implementing risk-based solvency regimes as well as new challenges related to emerging risks posed by climate change.

This was the fifth meeting of its kind, bringing together over 80 senior officials from insurance authorities in the region. The meeting was jointly organised by the Latin American Association of Insurance Supervisors (ASSAL), the IAIS and the FSI of the BIS.

At the meeting, IAIS ExCo Chair, Vicky Saporta set out the details of the [IAIS Roadmap](#) and planned work for the next two years including a focus on climate change, work to support the development of risk-based solvency regimes in emerging markets and developing economies, FinTech and financial inclusion. In particular, Vicky talked about how cooperation and collaboration between IAIS Members supported an effective international supervisory response to the pandemic and helped to maintain the stability of the insurance sector.

ExCo Vice Chair, Suzette Vogelsang, updated the meeting on the IAIS' ongoing work to assess risks in the insurance sector and set out details about the recent FSI/IAIS publication on supervision in the new normal. Additionally, Head of Implementation, Conor Donaldson, provided an update on the IAIS' climate change work, including a recently launched analysis to understand risks to the value of insurer assets.

For more information contact the Secretariat at iais@bis.org.

Meet our Staff

Each month, get to know one IAIS staffer and a key project they are working on.



Name: Tom Wicling

Current role: Senior Policy Advisor: Implementation Assessment

Time with the IAIS: As of 1 May 2021

Last employer: Bank of England (BoE)

Favourite Pastime: Playing rugby

Favourite Music: 1990's Britpop

Favourite Quote: Sometimes the questions are complicated and the answers are simple.

The IAIS is pleased to announce the appointment of Tom Wicling as the Senior Policy Advisor: Implementation Assessment who will be focused on the Targeted Jurisdictional Assessment (TJA) of the Holistic Framework supervisory material.

Tom joins us from the BoE, where he worked in the international insurance policy team of the Prudential Regulation Authority (PRA). As part of his role, he has represented the BoE on a number of IAIS working groups and committees, focusing on the development of the ICS and Holistic Framework. He also has experience working in insurance supervision at the BoE and before that he spent ten years as a consultant to the life insurance industry across Europe, the USA, Asia and Australia.

Tom is a Fellow of the Institute and Faculty of Actuaries (UK) and holds a master's degree in Mathematics.

The appointment takes effect on 1 May 2021.

Appointments of Chairs and Vice-Chairs

The Selection Committee has recently made the following appointments:

- Christopher Brown (Bermuda Monetary Authority), Chair of the Financial Crime Task Force; and
- Tomás Soley (Superintendencia General de Seguros de Costa Rica), Chair of the Financial Inclusion Forum.

Committee and Subcommittee Activities

Committee Activities

Note: all meetings were held via video- or teleconference in light of Covid-19. This will continue until end-August 2021 as per the decision of the IAIS Executive Committee.

Budget Committee

The Budget Committee met on 17 March where they:

- Received a preliminary budget for the 2022 Global Seminar from representatives of the Croatian Financial Services Supervisory Agency (HANFA);
- Discussed the 2020 financial statements; and
- Discussed an updated 2021 budget report.

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

Subcommittee Activities

Capital, Solvency and Field Testing Working Group

The Capital, Solvency and Field Testing Working Group (CSFWG) met on 17-18 March to:

- Continue discussions on the aggregated results of the 2020 ICS data collection; and
- Discuss updates for the 2021 ICS data collection package, including data to be collected on infrastructure and strategic equity.

CSFWG also met on 20 April to:

- Finalise the 2021 ICS and Aggregation Method (AM) data collection packages; and
- Discuss feedback received from Volunteer Groups on the first year of the monitoring period.

The 2021 data collections will be launched at the end of April with data due at the end of August. ICS and AM Volunteer Workshops will take place in mid-May to discuss the content of the data collection packages. Further information will be provided to Volunteer Groups in advance of the events.

CSFWG will next meet in late May.

Secretariat support: romain.paserot@bis.org and danita.pattimore@bis.org

Financial Crime Task Force

The Financial Crime Task Force (FCTF) met on 25 March. During the meeting, the FCTF:

- Discussed the draft revised “Application Paper on Combating Money Laundering and Terrorist Financing”, following the review by the Implementation and Assessment Committee (IAC) and the Policy Development Committee (PDC); and
- Received an update on recent developments in money laundering and terrorist financing.

The draft revised “Application Paper on Combating Money Laundering and Terrorist Financing” is planned to be published for public consultation in May 2021.

Secretariat support: yasuaki.ohara@bis.org

Governance Working Group

The Governance Working Group (GWG) met on 16 March. During the meeting, the GWG:

- Received an update on relevant developments in member jurisdictions;
- Discussed preparations for the exploratory work on remuneration issues in the insurance sector, to be commenced later this year; and
- Discussed ongoing involvement and contributions by the GWG to relevant activities of the IAIS.

Secretariat support:
grzegorz.komarnicki@bis.org

Insurance Groups Working Group

The Insurance Groups Working Group (IGWG) met on 30 March where they discussed:

- The revised draft “Application Paper on Supervisory Colleges”; and
- Next steps as well as the development of “Member only” material aimed at supporting the work of supervisory colleges.

The objective of the revision is to update the Application Paper to reflect revisions to ICPs 3 and 25, adoption of ComFrame and other relevant developments. The public consultation on this Paper is scheduled for the third quarter of 2021.

Secretariat support:

grzegorz.komarnicki@bis.org

Infrastructure Task Force

At its meeting on 22 April, the Infrastructure Task Force (ITF) discussed the following topics:

- Lessons learned from its engagement with stakeholders over the last months;
- Analysis of data sources likely to inform the ITF’s recommendation as to whether a differentiated treatment for capital purposes should be pursued. This analysis is currently underway and its results should be discussed at the next ITF meeting in June; and
- Executive summary of findings from the 2020 stock-take surveys regarding the treatment of infrastructure and strategic equity in current prudential frameworks, as well as suggestions received on the IAIS strawman proposal for definitions and criteria.

Secretariat support:

manuela.zweimueller@bis.org and
aurelien.cosma@bis.org

Macroprudential Monitoring Working Group

The Macroprudential Monitoring Working Group (MMWG) met on 22 April to discuss:

- The impact of Covid-19 on the global insurance sector, based on the preliminary

results of the Q4 2020 individual insurer monitoring data collection;

- Considerations on further Covid-19 data collections; and
- Preparations to determine the scope of the collective discussion on the potential build-up of systemic risk in the global insurance sector based on the outcome of the 2021 global monitoring exercise.

Secretariat support: nicolas.colpaert@bis.org

Market Conduct Working Group

The Market Conduct Working Group (MCWG) met jointly with the GWG on 23 March to advance the development of the draft Issues Paper on Insurer Culture. Public consultation on the draft paper is scheduled for the third quarter of 2021.

The MCWG also met on 31 March. The objectives of this meeting were to:

- Obtain updates from members on key conduct-related developments in their jurisdictions; and
- Discuss an initial analysis of responses to the member survey on the use of key indicators to assess the conduct of insurers. The survey was open to IAIS Members from 11 December 2020 to 16 February 2021.

Secretariat support: farzana.badat@bis.org

Operational Resilience Task Force

The Operational Resilience Task Force (ORTF) met on 27 April and discussed:

- Developments with respect to IT third party outsourcing and cyber resilience;
- Lessons learned through the Covid-19 pandemic on ensuring business continuity over a longer term time horizon; and
- Next steps towards the development of supervisory support materials that take stock of these developments and lessons learned.

Secretariat support: ruby.garg@bis.org

Resolution Working Group

The Resolution Working Group (ReWG) met on 21 April to discuss the revised draft “Application Paper on Resolution Powers and Planning” following the public consultation that took place between November 2020 and February 2021.

Secretariat support:

hanne.vanvoorden@bis.org

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.

The Green Swan Conference - Coordinating finance on climate | 2-4 June 2021

The BIS, Bank of France (BDF), International Monetary Fund (IMF) and Network for Greening the Financial System (NGFS) are co-sponsoring a global virtual conference on "How in practice can the financial sector take immediate action against climate change-related risks?". Some sessions of this invitation-only event will be livestreamed.

Click [here](#) for further information.

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.

Useful tools on the A2ii website

- The [Covid-19 Insurance Supervisory Response Tracker](#)
- The [Supervisory KPIs Lexicon](#)
- The [Inclusive Insurance Regulations map](#)
- The [ICP Self-assessment Tool](#)

Insurance and the Sustainable Development Goals (SDGs)

Insurance and the SDGs is the A2ii 2021 theme of the year.



In line with this, the A2ii has launched a [SDGs section](#) of their website and published a policy note entitled “[Insurance and the Sustainable Development Goals – why it matters and how data can help](#)”.

The SDGs pages are dedicated to nine Goals where insurance can play an important role: [No Poverty](#), [Reduced Inequalities](#), [Zero Hunger](#), [Good Health and Well-being](#), [Gender Equality](#), [Decent Work and Economic Growth](#), [Industry Innovation and Infrastructure](#), [Climate Change](#), & [Partnerships for Goals](#).

Recent Events

A2ii-IAIS Public Dialogue on Index-based Insurance | 25 March



In the words of Tomás Soley, Superintendent of SUGESE Costa Rica and moderator for the afternoon webinar, index insurance is an important ally for Governments committed to achieving the SDGs. Regulatory initiatives can ensure the necessary range and diversity of products to support the SDGs and access to insurance in a market.

The A2ii's Regional Coordinator for Latin America, Regina Simões, presented findings on regulatory approaches from the 2020 A2ii survey on Index-based Insurance and the [publication](#). Cynthia Ayero Nsubuga from IRA, Uganda, and Germán Rodríguez from SUGESE, Costa Rica, presented the regulatory approaches adopted in their jurisdictions to enable index-based insurance. Uganda initiated the process as a result of a pilot implemented in 2016 and issued specific index contract regulations in 2020. Meanwhile, Costa Rica had taken the legal opinion approach to include these products in the governing law on insurance. As well, industry representatives urged insurance supervisors to be open to innovation and new forms of insurance. Jakub Nugraha from ACA, Indonesia, presented on their agricultural and health index insurance schemes, and Carlos Boelstrel spoke on MICRO's index insurance against natural disasters in Latin America. Presentations and recordings are available [here](#).

Financial Inclusion Forum First Plenary Meeting | 18 March

The IAIS and A2ii Secretariats hosted the first quarterly plenary meeting of the IAIS-A2ii Financial Inclusion Forum (FIF). The key theme of the meeting was taking a look back at 16 years of inclusive insurance regulation, global standards and emerging lessons. [Read more](#).

A2ii to strengthen regional implementation activities in Asia | 19 March

The A2ii is pleased to announce that from 1 July 2021, the regulatory capacity building activities currently being carried out by GIZ RFPI Asia through the Mutual Exchange Forum on Inclusive Insurance (MEFIN) Network will be

transitioned to A2ii. The Transition Plan was formally adopted by MEFIN regulators at the MEFIN Organisational Meeting on 19 March 2021. [Read more.](#)

Global Partnership for Financial Inclusion (GPFI) Plenary Meeting | 24-25 March

During the meeting, held under this year's Italian G20 Presidency, the Partnership's members discussed the GPFI work programme for 2021. [Read more.](#)



A2ii, UNCDF and Beema Samiti Nepal kick off pilot project on digital and inclusive insurance | 26 March



The United Nations Capital Development Fund (UNCDF), A2ii and Beema Samiti (Insurance Board of Nepal) held a virtual opening ceremony and onboarding session to kick off a collaborative pilot project on inclusive and digital insurance. [Read more.](#)

Upcoming Events

A2ii-IAIS Public Dialogue: Women's Access to Insurance, 27 May

This webinar will be open to all stakeholders and will take place at 14:00 CET in English (with simultaneous Spanish and French interpretation). Click [here](#) to register.

Apply now for the Inclusive Insurance Training Programme

The A2ii, in partnership with the IAIS and the Toronto Centre, will be delivering the Inclusive Insurance Training programme in two regions this year - Central and Eastern Europe and Transcaucasia (CEET) from 21 June to 1 July and Sub-Saharan Africa (SSA) in September. Registrations for the CEET programme [is now open](#), and registrations for the SSA programme will open later in May.

The training programme is built on the IAIS Application Paper on "Regulation and Supervision Supporting Inclusive Insurance Markets" and allows participants to expand their existing supervisory skills and knowledge to develop the leadership skills needed to make positive change. This programme will have a focus on how climate change and technology are impacting access to insurance and supervision. This training will be delivered virtually and is aimed at middle-to-senior level supervisors involved in the regulation and supervision of inclusive insurance in Central and Eastern Europe and Transcaucasia. For supervisors wishing to participate from other regions, please register and the A2ii Secretariat will contact you depending on available spaces. For more information, please click [here](#).

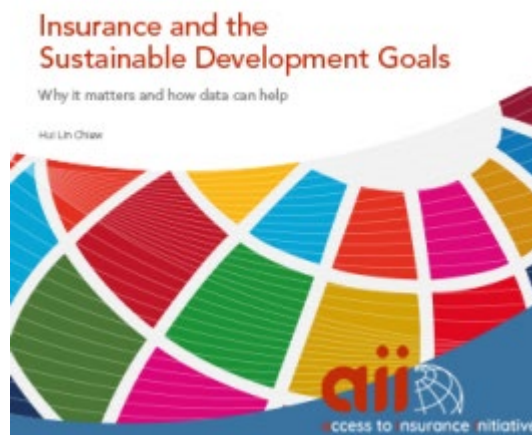
Blog

Entrevista con Regina Simões: la situación actual y los retos regulatorios de los seguros basados en índices

En nuestro [blog](#) hay una entrevista en español con Regina Simões, coordinadora de la A2ii para América Latina y autora de la reciente publicación "[Index Insurance: 2020 Status and Regulatory Challenges](#)" (*Seguros basados en índices: situación en 2020 y retos regulatorios*). *This interview on the current situation and regulatory challenges of index-based insurance can be read in your language with our built-in translator – [click here](#).*

Publications

Insurance and the Sustainable Development Goals – why it matters and how data can help



The Policy Note '[Insurance and the Sustainable Development Goals – why it matters and how data can help](#)' sets out the KPIs in support of efforts to measure the contributions of the insurance sector to the SDGs, for setting aspirations, and as a basis for dialogue and alignment among the industry, supervisors, policymakers and development practitioners.

Index Insurance: 2020 Status and Regulatory Challenges



[Index Insurance: 2020 Status and Regulatory Challenges](#) provides an overview of how the supervisors have been dealing with the challenges related to index-based insurance during the last years, as well as insights from the industry side, especially in emerging markets and developing economies. It is based on the results of the 2020 index insurance survey, where the A2ii received comprehensive responses from insurance supervisors from 27 different countries, as well as from industry representatives. In this update of the 2018 report on the same topic, issues such as the one of the recognition of

index insurance within the insurance legal and regulatory frameworks remains a challenge for jurisdictions.

Staffing Update

Erickson H. Balmes has been designated as the A2ii Regional Coordinator for Asia. Erickson is the Deputy Commissioner at the Insurance Commission of the Philippines, where he was appointed in 2019. Previously, he was Undersecretary at the Department of Justice. In other roles, Erickson has also served as Consultant to the Commission on Elections, Consultant at the Senate of the Philippines, Chairman of the Board at Loyola Plans Incorporated, and Board Member at All Nations Security and Investigation Services. He is an attorney, lecturer in law and serves as a member of the Law Faculty of several universities.



Alwyn P. Villaruel has been designated as A2ii Deputy Regional Coordinator for Asia. Alwyn is presently the Division Manager of the Claims Adjudication Division and Budget Division and also the Media Relations Officer of the Insurance Commission (IC) of the Philippines. Prior to joining the Philippine insurance regulator, Alwyn was a litigation lawyer with experience in the areas of civil law and criminal law.



View full [newsletters](#) on the A2ii website and [subscribe](#) to the A2ii mailing list.

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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