

Newsletter

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Did You Know?

The IAIS Self-Assessment and Peer Review (SAPR) programme assesses current levels of observance of the Insurance Core Principles (ICPs), taking into account regulatory frameworks and supervisory practices, and contributes to strengthening ICP observance and understanding. Supervisors participating in the SAPR process receive a confidential individual jurisdiction report that provides a comprehensive overview of their observance of the ICPs included in the thematic review. Since programme inception in 2012, nearly 130 supervisory authorities have participated in at least one assessment.

Calendar Notes

Please save the following dates: 11th Annual Global Seminar: Moscow, 26-27 July 2018; and 25th IAIS Annual Conference: Luxembourg, 8-9 November 2018.

From the Secretary General

While delivering on its current commitments to the post-crisis reform agenda, the IAIS is increasingly focused on emerging trends and risks in the insurance industry and developing appropriate supervisory guidance.



To remain credible, the IAIS must continue to be forward-looking and help shape a supervisory response to the emerging insurance landscape, including on such current issues as FinTech, cybersecurity and sustainability/climate change. Our standards and guidance can quickly become stale if we are not alert to change and opportunity within the insurance sector, and respond accordingly.

There are some common implications from emerging trends and risks: one, they impact all of our Members – both in developed and developing jurisdictions – hence the imperative to respond in a proactive and robust way.

Two, they have cross-sectoral impacts – many beyond the borders of the broader financial sector. The IAIS will have to grapple with what this means for the traditional silo model of insurance supervision and for the way that the IAIS goes about its work on these topics.

Three, they are all areas in which there is a relatively high degree of alignment in the objectives of both supervisors and industry stakeholders – promoting market development, while mitigating risks. For me, this means that as the IAIS looks to its future agenda, it needs to explore ways to move more beyond consultation to collaboration.

The time is ripe to consider our approach as the IAIS begins its strategic planning process for the next five-year period.

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 Revision of Insurance Core Principles and the Development of ComFrame**

Steady progress being made in the development and revision of supervisory material

The IAIS is in the process of a comprehensive revision of its Insurance Core Principles (ICPs) and the development of ComFrame.

The ICPs provide a globally accepted framework for the supervision of the insurance sector. The last comprehensive set of ICPs was adopted in 2011. Some have been subsequently amended. ComFrame is a newly developed set of international supervisory requirements focusing on the effective group-wide supervision of internationally active insurance groups. ComFrame is built and expands upon the high level requirements and guidance currently set out in the ICPs, which generally apply on both a legal entity and group-wide level. The ICP revisions and the development of ComFrame are expected to be finalised and adopted by the Annual General Meeting by year-end 2019.

Insurance Core Principles

In principle, all ICPs related to ComFrame are now being revised in parallel with the development of ComFrame material in order to ensure consistency (ie the “thematic approach”). Revisions of ComFrame-related ICPs completed prior to 2019 and endorsed by the Executive Committee are published on the IAIS website as drafts for information purposes only. These drafts may be subject to further changes before adoption by the Annual General Meeting at the end of 2019, given the ongoing work on ICPs/ComFrame material. If additional revisions to these ICPs are needed, these should be published for consultation in mid-2019.

The IAIS published this first set of revised draft ICPs on the IAIS website in November 2017, following endorsement by the Executive Committee during its meeting in Kuala Lumpur. These include the draft Introduction and Assessment Methodology and draft revised ICP 1 (Objectives, Powers and Responsibilities of the Supervisor); ICP 2 (Supervisor); ICP 3 (Information Exchange and Confidentiality Requirements); ICP 9 (Supervisory Review and Reporting); ICP 10 (Preventative Measures, Corrective Measures and Sanctions); ICP 12 (Resolution and Exit from the Market); and ICP 25 (Supervisory Cooperation and Coordination).

At the same time, the Annual General Meeting adopted several revised ICPs unrelated to ComFrame: ICP 13 (Reinsurance and Other Forms of Risk Transfer), ICP 18 (Intermediaries) and ICP 19 (Conduct of Business). The IAIS is also planning to publish for consultation in June 2018 draft revised ICP 6 (Changes in Control and Portfolio Transfers) and ICP 20 (Public Disclosure). As both ICPs are also unrelated to ComFrame, these revised ICPs are scheduled for adoption by the end of 2018.

In November 2017, the IAIS also released for public consultation draft revised ICP 15 (Investments), ICP 16 (Enterprise Risk Management for Solvency Purposes) and revised ICP 8 (Risk Management and Internal Controls). The changes in ICP 8 were aimed at removing overlaps and duplications between ICP 8 and ICP 16.

ComFrame

In 2016, the IAIS decided to integrate ComFrame material into the ICP structure. The March 2017 ComFrame consultation documents were the first to reflect this new structure. The Policy Development Committee approved the resolution of comments on the first set of ComFrame material from the March-June 2017 public consultation during its meeting on 26 February 2018. This included ComFrame in ICP

5 (Suitability of Persons), ICP 7 (Corporate Governance), ICP 8 (Risk Management and Internal Controls), ICP 9 (Supervisory Review and Reporting), ICP 10 (Preventive Measures, Corrective Measures and Sanctions), ICP 12 (Exit from the Market and Resolution) and ICP 25 (Supervisory Cooperation and Coordination). Following this decision, the IAIS published a summary of the resolution of the main substantive comments received. All public consultation comments were simultaneously published. The documents were posted on the IAIS website and are available [here](#).

The IAIS will hold a public discussion session via teleconference to: provide background information on the resolution of comments received during the public consultation on ComFrame; answer stakeholder questions on the outcome of the consultation; and, present the next steps in the development of ComFrame. The session is scheduled for 27 March from 14.30 to 16.00 CEST (Basel time). For details, please click [here](#).

The IAIS is preparing a complete ComFrame package for public consultation after the July committee meetings.

In November 2017, the IAIS released for public consultation a second set of ComFrame material integrated with ICP 8, ICP 15 and ICP 16, together with related ICPs as previously explained. The outcome of this public consultation will be communicated to stakeholders after the July committee meetings.

The IAIS is currently preparing a complete ComFrame package for public consultation after the July committee meetings. This package will consist of three types of material:

- Revised ComFrame material following consultation in March-June 2017 (ComFrame in ICPs 5, 7, 8, 9, 10, 12 and 25);
- Revised ComFrame material following consultation in November 2017-January 2018 (ComFrame in ICPs 8, 15, 16); and
- Newly-developed ComFrame material integrated with ICP 23, related to the identification of IAIGs (not previously consulted).

After the July committee meetings, the IAIS will also consult on Insurance Capital Standard (ICS) Version 2.0 – the quantitative component of ComFrame. However, it will be presented as a stand-alone ICS consultation document (ICS Version 2.0 will also be presented as a stand-alone document upon adoption in 2019). Both the ComFrame material integrated into the ICP structure and the ICS consultation document will reflect the agreement on the implementation of ICS Version 2.0 reached in November 2017 in Kuala Lumpur. Pursuant to this agreement, in the first phase, referred to as the “monitoring period”, ICS Version 2.0 will be used for confidential reporting to group-wide supervisors and discussion in supervisory colleges. The ICS will not be used as a prescribed capital requirement in this phase (ie the ICS results will not be used as a basis to trigger supervisory action). This will allow group-wide supervisors and host supervisors to discuss and assess the ICS in comparison with existing group capital standards or calculations under development. As part of the 2018 ICS consultation document, the IAIS will consult on the process for both data collection and analysis by the IAIS, and receiving qualitative feedback from supervisory colleges,

To help stakeholders navigate the process and plan engagement activities, the IAIS published the [Timeline of ComFrame Development and ICPs Revision](#) and [Timelines and Status of ComFrame](#).

News Updates

Stakeholders Invited to Suggest Topics and Questions for Executive Committee Dialogue

In advance of the Executive Committee dialogue planned for later this year, stakeholders are invited to suggest topics and questions for consideration in shaping the agenda. To do so, please email these to

Stephen Hogge, Senior Policy Advisor for Communications, at stephen.hogge@bis.org by 4 May. This will not preclude attendees from posing questions on any other relevant issues in the question and answer portion of the dialogue.

Chen Named Third Vice Chair of Executive Committee

The IAIS Executive Committee has elected Wenhui Chen, Vice Chair of the China Insurance Regulatory Commission and current IAIS Executive Committee member, as third Vice Chair with a specific mandate to engage and support emerging markets and developing economies. Vice Chair Chen brings extensive technical expertise and experience in market development to the role. We look forward to working with him and his team from the China Insurance Regulatory Commission in this new capacity.

Stakeholder Engagement

IAIS to Hold Public Discussion Session on Resolution of Comments from Public Consultation on ComFrame

The IAIS will hold a public discussion session via teleconference to provide background information on the resolution of comments received during the public consultation on ComFrame material, answer

stakeholder questions on the outcome of the consultation and present the next steps in the development of ComFrame. The session is scheduled for 27 March from 14.30 to 16.00 CEST (Basel time). For details, please click [here](#).

Meetings and Events

Upcoming IAIS Meetings: April – May 2018

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

Date	Group
10-11 April	Insurance Groups Working Group (Rome, Italy)
16-17 April	Task Force on Systemically Important Banks and Insurers (Suzhou City, China)
16-20 April	Capital, Solvency and Field Testing Working Group
25-26 April	Resolution Working Group
6-7 May	Strategic Planning and Financial Outlook Task Force (Frankfurt, Germany)
9-10 May	Market Conduct Working Group (Sydney, Australia)
16-17 May	Accounting and Auditing Working Group (Quebec City, Canada)
22-23 May	Financial Crime Task Force
22-24 May	Capital, Solvency and Field Testing Working Group
29-30 May	Supervisory Material Review Task Force (New York City, USA)

Stakeholder Meetings

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

Seminars and Training

Upcoming: IAIS-ASSAL Training Seminar on “Risks analysis and assessment in the insurance industry”, 9-10 April, Santo Domingo, Dominican Republic

The main topics to be covered at the IAIS-ASSAL Annual Conference on “Risks analysis and assessment in the insurance industry” are the importance of the actuarial function; technological advances and supervision challenge, market conduct and risk-based capital. Approximately 80 participants are expected. The insurance supervisory authority for the Dominican Republic is hosting the seminar.

Recent: AITRI-Toronto Centre-IAIS Training Seminar on Insurance Core Principles Assessment, 19-22 March 2018, Manila, Philippines

This training seminar provided insurance supervisors with an overview of select IAIS ICPs and related standards, with examples of how to meet the requirements in order to prepare participants to conduct ICP self-assessments.

Recent: 5th Actuarial African Congress, 15-16 March, Casablanca, Morocco

The themes for the 5th Actuarial African Congress included the actuarial profession in a changing world, insurance regulation and developments in the insurance and banking industries, and capital markets in Africa.

Committee and Subcommittee Activities

Committee Activities

Implementation and Assessment Committee

The Implementation and Assessment Committee met on 27 February 2018 in Basel.

Several topics and implementation activities were discussed during the meeting, including:

- **Assessments:** the Committee reviewed and discussed the work plans for assessments in 2018.
- **Supervisory practice:** The A2ii, the Supervisory Forum, the UN Environment Sustainable Insurance Forum and the Financial Inclusion Working Group briefed the Committee on their activities.
- **Supervisory cooperation:** The Signatories Working Group provided a general update on current projects and an IAIS Member made a presentation on a collaborative approach to facilitate cross-border supervisory cooperation.
- **Supervisory capacity building:** The Committee received reports on the Core Curriculum refresh project, supervisory capacity building in actuarial services project and the FIRST ONE programme, as well as an update from the Financial Stability Institute on recent activities.

The Committee approved the revised Coordinated Implementation Framework strategy, subject to the endorsement of the Executive Committee. The revised strategy includes additional emphasis on identifying the IAIS role in supporting implementation and in establishing specific steps to strengthen the engagement of Members from emerging market and developing economies in IAIS activities.

Secretariat Support: carole.lin@bis.org

Policy Development Committee

The Policy Development Committee met on 26 February for its first in-person meeting in Basel. The Committee agreed to and approved the following items:

- The resolution of comments from the March 2017 public consultation of the ComFrame material in ICPs 5, 7, 8, 9, 10, 12 and 25, including a summary of the main substantive comments and their resolution; and
- The remaining ICS items for 2018 field testing

Secretariat Support:
yukiko.kamegawa@bis.org

Subcommittee Activities

Accounting and Auditing Working Group

The outcomes from the meeting of the Accounting and Auditing Working Group held on 21-22 February in Bonn, Germany include:

- Approval of resolutions to comments received from IAIS working groups on draft revised ICP 20 (Public Disclosure);
- Productive dialogue on recent and anticipated accounting changes, including IFRS 17 (Insurance Contracts) related implementation activities; and
- An updated understanding of various audit standards-related initiatives, including the efforts of the International Accounting and Auditing Standards Board to finalise their revised International Standard on Auditing (ISA) 540 (Accounting Estimates).

Secretariat Support: mark.causevic@bis.org

Capital, Solvency and Field Testing Working Group

On 6-8 March, the Field Testing Analysis Team (FTAT) held its last meeting before the launch of 2018 Field Testing.

Members of the Capital, Solvency and Field Testing Working Group met in Brussels for the week of 12 March to discuss open ICS issues, updated technical specifications, and field testing questionnaires. The Working Group will next meet 16-20 April in Basel to discuss the final field testing package. 2018 field testing is scheduled to launch 16 May with data due by 31 August.

The Working Group also hosted a workshop for field testing volunteers on 13 March to provide an update on 2018 field testing and receive feedback from Volunteer Groups, including presentations on some ICS components. The field testing launch workshops are scheduled

for 25 May in Basel, 6 June in Tokyo and 20 June in Washington, DC.

The ICP 15 and ICP 16 workstream, which reports to the CSFWG, continues to review comments received on the public consultation. The consultation, which closed on 31 January, covered proposed definitions of enterprise risk management-related terms, revised ICP 15 (Investments) and ICP 16 (Enterprise Risk Management for Solvency Purposes), and ComFrame material integrated with ICP 15 and ICP 16. Draft resolution to comments specific to ComFrame material integrated with ICP 15 and ICP 16 will be reported to CSFWG at its April meeting.

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

Supervisory Material Review Task Force

The Supervisory Material Review Task Force met in Basel on 27 February. The Task Force discussed the revised draft ICP 6 (Changes in Control and Portfolio Transfers). This ICP was initially adopted in 2011. The IAIS plans to publish a revised version for public consultation by July 2018.

Secretariat Support: hanne.vanvoorden@bis.org

Access to Insurance Initiative (A2ii) Report



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

Recent Events

International Dialogue of the Inclusive Insurance Innovation Lab, 28 February-2 March, Akosombo, Ghana

All the country teams participating in the Inclusive Insurance Innovation Lab met for the first time as a global team during a three day International Dialogue in Ghana. During the workshop, country team members from Albania, Ghana, Kenya and Mongolia learned about the inclusive insurance sector in their respective countries and identified areas in which they could provide peer support to each other. Country teams also exchanged feedback on obstacles and opportunities in their insurance sectors, as well as suggestions on key relationships and areas to explore.

Through learning journeys to the surrounding villages, participants spoke to local shopkeepers and small business owners, health practitioners and fishers about their perceptions of insurance and the challenges they had in accessing suitable products.

Participants also discussed a variety of topics in cross-country groups, including insurance awareness, insurance for micro, small and medium enterprises (MSMEs), agricultural insurance, effective partnerships for inclusive insurance, distribution channels and InsurTech and the future of insurance.

The country teams then developed roadmaps and identified concrete next steps for the run-up to the next event on the Inclusive Insurance Lab calendar: the (national) workshop taking place in all four countries in April.

Bank for International Settlements – International Monetary Fund Symposium: Capacity building in financial sector regulation and supervision, 8-9 February, Basel, Switzerland

This high level, invitation-only seminar brought together the standard-setting bodies along with training and technical assistance providers to discuss capacity building in financial sector regulation and supervision. The event included a discussion among the standard-setting bodies on their differing approaches to supporting the capacity building needs of their Members – with some providing direct hands-on support, while others are partnering with other organisations to achieve their implementation objectives. The importance of a structured long-term approach to capacity building was highlighted in contrast to current efforts which were thought to often be too short-term and fragmented.

The second day of the conference was restricted to technical assistance and training providers. Hannah Grant, Head of the A2ii Secretariat, presented on a panel discussing ideas for enhancing coordination and cooperation between different technical assistance and training providers. The event provided a valuable opportunity to share best practices and brainstorm ways to work together more collaboratively. All participants agreed on the value of good relationships with key partners and the need to engage in a complementary manner at different levels – national, regional and global – when providing capacity building support.

Upcoming Events

13th Consultative Forum on Mobile Insurance and InsurTech: rising to the regulatory challenge, 9-10 May 2018, Accra, Ghana

The African Insurance Organisation, International Association of Insurance Supervisors, the Microinsurance Network and the Access to Insurance Initiative will hold the 13th Consultative Forum on Mobile Insurance and InsurTech on the afternoon of Wednesday, 9th May and morning of Tuesday, 10th May in Accra, Ghana.

This Forum will focus on facilitating innovation and creating customers value using digital technologies. It will also explore how to appropriately supervise new InsurTech players and business models.

The Consultative Forum takes place alongside the **45th AIO Conference and General Assembly**. Supervisors, policymakers and industry players are encouraged to attend. There will be simultaneous translation into French and English.

For more information on, or to register for, the Consultative Forum, please click [here](#). Deadline for registrations is 2 May.

For further information, please contact A2ii Sub-Saharan Africa regional coordinator Janice Angove (janice.angove@fsb.co.za).

Supervisory Dialogue on the impact of informality on insurance markets – what supervisors can do, 17 May, Rio de Janeiro, Brazil

The objective of this Supervisory Dialogue is to provide a platform for information sharing on the topic of informality on insurance markets. An overview of how informality may affect insurance markets will be provided with an examination of the risks for consumers as well as consideration on how informality may impact the structure and functioning of the sector.

The Dialogue will be restricted to supervisors and is expected to bring together high-ranking representatives from across the region and beyond.

There will be simultaneous translation into Portuguese, Spanish and English. To find out more or to register, please click [here](#).

Recent Publications

French and Spanish translations of the 25th IAIS – A2ii Consultation Call report on “Supporting responsible MSME insurance”.

This Consultation Call identified the specific insurance needs of MSMEs, and regulatory and supervisory factors that can stifle or stimulate the market for products targeted at MSMEs. Global trends were discussed and case studies were reviewed to illustrate the principles at work. This was complemented with first-hand accounts from jurisdictions with experience on the topic. The material on this Consultation Call will help supervisors and regulators consider whether or not there are any steps that their authority can take to help stimulate the provision and uptake of good quality MSME insurance.

Presentations from the call along with the English language report are available [here](#).

26th IAIS – A2ii Consultation Call on Index Based Insurance report

On 25 January, the IAIS and A2ii organised a Consultation Call exploring the regulatory aspects of index-based insurance. The written report based on this Consultation Call can now be found on the A2ii website by clicking [here](#). The report covers the country case studies presented on the Consultation Call, and provides a synopsis of the Question & Answer session that followed.



China Country Diagnostic Report

This report contains the findings of a diagnostic study on the provision of microinsurance to rural workers in China. The study was commissioned by the A2ii and approved by the China Insurance Regulatory Commission in 2010. The study covers the provision of personal and property (including agriculture) microinsurance to China's 674 million (as of 2010) rural residents. Find out more: [China Country Diagnostic Report](#).

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.

International Association of Insurance Supervisors
c/o Bank for International Settlements
CH-4002 Basel
Switzerland

Tel: +41 61 280 80 90
Fax: +41 61 280 91 51

www.iaisweb.org

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