



## Policy for Consultation of Stakeholders

The IAIS is a global standard-setting organization created and governed by insurance supervisors and regulators (IAIS “Members”) responsible for the supervision of nearly the entire global insurance market. Its objectives are to:

1. 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
2. contribute to global financial stability.

The IAIS recognises that effective consultation can bring valuable information to help design successful policy solutions and make informed decisions. The IAIS is committed to operating in an open and transparent manner, with appropriate consultation processes and governance, whilst maintaining the ability for Members to exchange information in confidence.

This policy sets forth the IAIS’ commitment to stakeholder consultation and engagement and of the practices to be applied to ensure that consultations are as effective, consistent, transparent and predictable as possible.

For the purposes of this policy, stakeholders shall include all groups and individuals who have an interest in insurance supervision and regulation or who are affected by the activities of the IAIS and shall be interpreted as broadly as possible.

### 1. Purpose

The purpose of this policy is to set forth how the IAIS will fulfil its commitment to stakeholder consultation and engagement as well as the IAIS’ expectations of stakeholders. Its principal aims are to:

- Ensure that all stakeholders are properly consulted in the IAIS’ development of policy.
- Encourage more involvement of interested stakeholders through a transparent consultation process and other interactions.
- Build a standardised framework for consultation that is clear and consistent yet flexible enough to take account of the specific requirements or circumstances of individual projects.
- Promote the exchange of experience, expertise and information between and among our Members and stakeholders.

### 2. Consulting on supervisory and supporting material

The IAIS delegates the responsibility for the development of supervisory and supporting material among its various Committees and Subcommittees. The IAIS recognises that stakeholders can bring relevant expertise to this process as well as perspectives which reflect market practices. Accordingly, the IAIS has adopted a process for the development of supervisory and supporting material that requires:

1. Public background information to be published on the IAIS website immediately following Executive Committee approval of requests to revise or develop supervisory and supporting material.
2. The Subcommittee that is responsible for developing the material to inform stakeholders as appropriate throughout the development of the material.
3. At least one public consultation, at the launch of which a public background session will be held in order to provide background on the project, outline how the project has progressed, describe what is being presented for consultation and describe specific issues or options for which the IAIS is seeking targeted input.
4. Publication on IAIS website of comments received through the public consultation process as well as (proposed) responses thereto.
5. A public discussion session, announced at least two weeks in advance, on the comments received through the consultation process and the IAIS' (proposed) responses thereto.
6. Posting of proposed final draft on IAIS website at least 14 calendar days before it is scheduled for final adoption.

The full process is available in Annex 1.

### **3. Additional opportunities to provide input**

The process for consulting on supervisory and supporting material (listed above) does not preclude a Committee or Subcommittee from undertaking other means to receive input, such as:

- Getting input from Members and stakeholders prior to submission of a project plan to the Executive Committee.
- Holding additional public sessions to gather input or disseminate information as necessary.
- Inviting technical input or feedback, either publicly or from selected stakeholders, at any time through means such as questionnaires, surveys or other requests for input. "Technical input" should be interpreted to include a broad range of expertise (e.g. to include consumer perspectives).
- Inviting individual subject matter experts to Committee/Subcommittee meetings to provide input on the development of matters as necessary. "Subject matter experts" should be interpreted to include a broad range of expertise (e.g. to include consumer perspectives).

These additional opportunities to provide input should reflect the broad scope of IAIS work and occur with appropriate frequency to receive Member and stakeholder input in a timely manner. Additional opportunities for subject matter hearings on initiatives relevant to emerging insurance markets should be explored.

Where appropriate and feasible, the use of alternative platforms such as webinars, web-based meetings and video conferencing should be explored to increase opportunities for stakeholder groups, in particular consumers, to provide input.

### **4. Executive Committee dialogue**

The Executive Committee is ultimately responsible for overseeing the Association's operations and development of policy measures as well as providing strategic direction on IAIS deliverables. At least once a year, the Executive Committee shall invite stakeholders to an

open dialogue to discuss relevant substantive issues. The timing and logistics will be determined by the Executive Committee in order to maximise participation and sufficient time will be devoted; specific information about the dialogue will be provided to stakeholders in advance as the dialogues are planned.

Stakeholders will be invited to submit questions or topics for discussion prior to the dialogue so that an agenda can be set and made available, but this will not preclude attendees from asking the Committee for comment on any other relevant issues.

Additional dialogues can be set by the Executive Committee in its discretion.

## **5. Public dialogues**

The IAIS will, when needed, hold public dialogues and/or hearings at the Committee level (distinct from the sessions which are part of the process to develop supervisory and supporting material and the Executive Committee dialogues described above) with qualified experts on specific topics related to policy development and/or projects underway at the IAIS. Sufficient time should be devoted to these sessions in order to ensure valuable dialogue, and each dialogue and/or hearing should be timed in such a manner as to ensure, as best as possible, that the IAIS can impart and receive substantive information.

## **6. Commitment to provide public information**

The IAIS is committed to providing its stakeholders with timely information about its activities, especially in regard to the development of policy. In addition to the measures described above, the IAIS shall keep its stakeholders informed through the following measures:

- A public website that is regularly and routinely updated so as to provide timely information on IAIS activities.
- A monthly online Newsletter that outlines activities and provides information on on-going projects as well as the items covered and the relevant decisions reached at recent meetings.
- A calendar that provides adequate notice of all opportunities to provide input.
- An Annual Report that summarises all activities over the previous year and contains the Association's audited financial statements.
- Annual disclosure of contribution levels from Members (annual dues).

To assist a Committee/Subcommittee in identifying stakeholders, the IAIS shall maintain an e-mail list of "interested stakeholders" for which any individual or group may register its interest in one or more Committees, Subcommittees or topics. In addition to providing a list of potential invited guests, this list should be used in conjunction with any targeted requests for input by the Committee/Subcommittee (e.g. when targeted technical feedback is requested) and to supplement relevant public announcements (e.g. to ensure those interested in market conduct issues are informed of public consultation on a related Issues Paper).

## **7. Stakeholder groups**

Upon the request of a Parent Committee or on its own initiative, the Executive Committee may approve the creation of one or more formal, specific stakeholder groups as it deems necessary. When creating a group, the Executive Committee will approve a written mandate that sets out for such group its purpose, goals, objectives, membership criteria and timeframe for operating.

## **8. Stakeholder meetings**

In all but exceptional circumstances or where not otherwise provided, for each stakeholder meeting:

- a. The meeting agenda and materials shall be distributed at least seven calendar days in advance.
- b. The meeting notice shall be distributed at least 30 calendar days in advance.
- c. An agenda, a brief status report on the topic, a clear explanation of the purposes of stakeholder involvement in the meeting, a summary of the issues for which stakeholder input is being solicited (where relevant), and any other relevant information shall be provided.

In the application of this general commitment, the IAIS shall have sufficient flexibility to adapt to the particular circumstances.

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## **Annex 1. SUPERVISORY AND SUPPORTING MATERIAL; CONSULTATION PROCESS**

### **A. Supervisory, Supporting and other Materials**

#### **1. Supervisory Material**

At the core of IAIS activities is its work in standard-setting. Supervisory material is generally classified into the following categories:

- **Insurance Core Principles (ICP)**, which consist of ICP Statements, Standards and Guidance and are defined in the Introduction to the ICPs.
- **ComFrame**, the nature, application and hierarchy of which is explained in the Introduction to ComFrame.
- **G-SII policy measures**, which build upon the ICPs and apply only to global systemically important insurers (G-SIIs).

#### **2. Supporting Material**

Supporting material is generally classified into the following categories:

- **Issues Papers** provide background on particular topics, describe current practices, actual examples or case studies pertaining to a particular topic and/or identify related regulatory and supervisory issues and challenges. Issues Papers are primarily descriptive and not meant to create expectations on how supervisors should implement supervisory material. Issues Papers often form part of the preparatory work for developing standards and may contain recommendations for future work by the IAIS.
- **Application Papers** provide additional material related to one or more ICPs, ComFrame or G-SII policy measures, including actual examples or case studies that help practical application of supervisory material. Application Papers could be provided in circumstances where the practical application of principles and standards may vary or where their interpretation and implementation may pose challenges. Application Papers can provide further advice, illustrations, recommendations or examples of good practice to supervisors on how supervisory material may be implemented.

All material will be assigned ownership among the various Committees as appropriate and pursuant to the principles set forth in paragraph 4, below. Committees shall periodically review all material under their responsibility to ensure that their content is still relevant and they fit within the framework.

Once adopted, all supervisory and supporting material shall be made public unless the Executive Committee determines that a compelling reason exists for it to remain accessible to Members only (e.g. the material contains confidential information).

#### **3. Other Material**

The IAIS produces other written materials, including reports, surveys and letters of response to other international organisations, which fall outside the classification of material described

above. This material is not required to follow the approval process described below; however, the relevant Subcommittee typically agrees to present the material to a Parent Committee and/or the Executive Committee for review and possibly for endorsement.

The Committee responsible for reviewing other material shall decide whether it should be made publicly available once finalised. Any decision not to make such material public must be based on a compelling reason (e.g. it contains confidential information).

#### **4. Principles for Determining Oversight of Development of Supervisory and Supporting Material**

##### **Supervisory Material Development Principles**

Supervisory material should be developed, reviewed or revised under the following principles:

- Subject to the next bullet point, the Policy Development Committee (PDC) shall be generally responsible for overseeing the development, review and revision of supervisory material.
- Before supervisory material that relates to financial stability (including macroprudential surveillance) in the insurance sector can be developed or revised, the PDC and the Macroprudential Committee must both approve the project and agree on which Committee, or both, will oversee and approve the development or revision of the material. Where necessary, the Coordination Group could issue a recommendation on oversight for Executive Committee approval.

##### **Supporting Material Development Principles**

Supporting material should be developed, reviewed or revised under the following principles:

- Issues Papers and Application Papers should be drafted by the appropriate subject matter experts, meaning the Subcommittee responsible for the subject of the paper.
- Before supporting material can be developed or revised, the PDC and the Implementation and Assessment Committee (IAC) must both approve the project and agree on which Committee, or both, will oversee and approve the paper. Where necessary, the Coordination Group could issue a recommendation on oversight for Executive Committee approval.
- In general, oversight of Issues Papers should be by the Committee which has general oversight of the Subcommittee.<sup>1</sup>
- In general, the IAC should provide oversight of Application Papers, given that Application Papers are meant to provide advice, illustrations, recommendations or examples of good practice to supervisors on how supervisory material may be implemented.

#### **B. Development and approval of supervisory and supporting material**

To be adopted, supervisory and supporting material requires formal approval as follows:

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<sup>1</sup> For example, the PDC would oversee the Governance Working Group's development of an Issues Paper while the IAC would oversee the Financial Inclusion Working Group's.

- Supervisory material requires approval by the relevant Parent Committee(s) before the final version is presented either to the Executive Committee or General Meeting for adoption. The material will be presented to the Executive Committee for adoption unless at least 10% of Members who have a right to cast a vote at the General Meeting request that a vote on adoption take place at the General Meeting, in which case the Executive Committee must endorse the paper for presentation to the General Meeting for a vote to adopt. The question of who should adopt supervisory material (i.e. the Executive Committee or General Meeting) must be posed to Members as part of the final consultation on the material.
- Supporting material requires approval by the relevant Parent Committee(s) and the Executive Committee and is presented to the General Meeting for information.

The procedures below outline the process for development of new supervisory and supporting material or amendment to existing supervisory and supporting material. Prior to development of new or amended supervisory and supporting material, approval of a written project plan by the responsible Parent Committee(s) and the Executive Committee is required.

A Committee or Subcommittee may discuss the issue of developing or amending supervisory and supporting material but shall not devote resources to actual development or drafting of such until first receiving approval of the Executive Committee. Upon approval of a project plan by the responsible Parent Committee(s), the Chair of the Committee will present the plan to the Coordination Group and Executive Committee using the required form. The Executive Committee may allow an opportunity for comments from Members and other stakeholders prior to making a determination. If the Executive Committee approves the plan, the Committee/Subcommittee shall follow the procedures below.

In developing its proposal, the responsible Subcommittee(s) must take into account the workplans and meeting schedules of all relevant Committees/Subcommittees to ensure proper coordination and timely consultation as appropriate.

The process for developing supervisory and supporting material is as follows:

- Submission of a written project plan to the Coordination Group and Executive Committee.** The project plan must be approved by the relevant Parent Committee(s) before it is presented to the Coordination Group and Executive Committee by the relevant Parent Committee Chair(s). The plan must include a timetable that addresses each of the steps below as well as the public background information required in paragraph ii. The Coordination Group will make a recommendation on the plan to the Executive Committee, which will make a final decision on the request. The Executive Committee may allow a Committee to modify the process set forth below (other than steps ii and iv) under exceptional circumstances which must be set forth in the public background note.
- Public background information.** Following Executive Committee approval, the responsible Subcommittee Chair and/or the Secretariat shall publish background information on the project that can be included in the public roadmap and should in principle cover the following:
  - a. Describe the project, including its scope and objectives.



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- b. Identify the reason(s) the Association is pursuing the project and the issues it intends to address.
  - c. Outline the project's workplan, including the responsible Subcommittee(s)/Committee(s), timeline for completion, opportunities for formal input and deliverables.
  - d. Provide perspective on how the project fits into broader IAIS activities, including the hierarchy of IAIS material.
  - e. Raise any specific questions or topics for stakeholder input and identify any specific type or group of stakeholder from which input may be particularly useful, especially with respect to consumers, academics and professional organisations.
  - f. Identify to whom stakeholder feedback may be submitted.
- iii. **Development of the material.** The responsible Subcommittee(s) shall develop the material pursuant to the project plan approved by the Executive Committee. Any potential or realised material deviations to the project plan shall be reported to the relevant Parent Committee(s) and Executive Committee no later than at the Committees' next regularly scheduled meeting. While developing the material, the responsible Subcommittee(s) should inform stakeholders as appropriate.
- iv. **Public consultation.** Prior to seeking its adoption, the material shall be subject to at least one public consultation. Based on a request from the relevant Parent Committee(s), the Executive Committee must approve the material before it is released for consultation.

If the request for approval to consult is made via written procedure, the Parent and Executive Committee should each be given at least 14 calendar days to respond (noting that the absence of a response will be considered approval). Any comments received must be resolved by the responsible Subcommittee Chair and relevant Parent Committee Chair(s) before approval is granted.

The consultation period for supervisory material should in principle be at least 60 days and for supporting material at least 30 days. In determining the length of the consultation period, the complexity and scope of the public consultation documents should be among the factors considered. All comments received during this process shall be made publicly available unless otherwise requested by the submitting party.

- v. **Public background session.** When commencing a public consultation, the Secretariat shall organise a public background session on the material being released for public consultation. In all but exceptional circumstances, the session should be conducted as a conference call, or include a conference call option, which should be announced in advance on the IAIS website and should be led by the responsible Parent Committee Chair(s), Subcommittee Chair(s) or Secretariat. The purpose of this session is to, among other things:
- a. Provide background information on the project similar to that provided in the public background note (see paragraph ii above).
  - b. Outline how the project has progressed and describe the subject matter that is being presented for public consultation.
  - c. Describe specific issues or options for which the IAIS is seeking targeted input.
  - d. Seek and consider feedback from stakeholders.



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- vi. **Resolution of comments received.** Following the close of a public consultation, the responsible Subcommittee shall prepare either a summary of substantive comments received and proposed responses thereto or a table of all comments received and proposed responses thereto. Once approved by the relevant Parent Committee(s) the summary of comments and the IAIS (proposed) responses, as well as a compilation of all comments received, or the table of all comments and the IAIS (proposed) responses shall be made available on the public website (unless a commenter has requested that its comments be kept confidential).
- vii. **Public discussion of comments and resolution.** Once the summary of comments and (proposed) responses have been approved by the relevant Parent Committee(s) the Secretariat shall organise a public session on the comments and (proposed) responses. In all but exceptional circumstances, the session should be conducted as a conference call, or include a conference call option, which should be announced at least two weeks in advance on the IAIS website and should be led by the responsible Parent Committee Chair(s), Subcommittee Chair(s) or Secretariat. The purpose of the session is to:
- a. Present the main issues raised during the consultation and how those issues have been or are proposed to be resolved.
  - b. Provide information on the decisions yet to be taken and how/when the decisions will be taken.
  - c. Describe the timing of subsequent work and any further opportunities to provide input.
  - d. Seek and consider feedback on work completed to date and future work planned.
  - e. Allow for direct engagement between Members and stakeholders on relevant topics.
- viii. **Subsequent public consultations as necessary.** All supervisory and supporting material must be subject to at least one public consultation. Subsequent public consultations, if conducted, shall be subject to the same procedures as the initial consultation.
- ix. **Preparation of final draft for adoption; Parent Committee approval.** After completion of the formal consultation process, the responsible Subcommittee shall revise the paper as necessary and send it, along with a summary of the outcome of the consultation process (e.g. the summary of comments received and resolutions or tables of comments received and resolutions) to the relevant Parent Committee(s) for final approval to send to the Executive Committee for adoption/referral to the General Meeting.
- If a request for final approval is made via written procedure the Parent Committee(s) should be given at least 14 calendar days to respond (noting that the absence of a response by a Parent Committee member will be considered approval). Any comments received during a request for approval via written procedure must be resolved by the responsible Subcommittee Chair and relevant Parent Committee Chair(s) before approval is granted.
- x. **Final draft posted on public website; Executive Committee approval/endorsement; General Meeting approval.** At least 14 calendar days prior to the Executive Committee meeting at which supervisory or supporting material will

be adopted or endorsed (or before the deadline for Executive Committee approval/endorsement if sought via written procedure) the material should be posted on the IAIS website with a notice indicating when it is set for adoption or endorsement.

If a request for final approval or endorsement is made via written procedure the Executive Committee should be given at least 14 calendar days to respond (noting that the absence of a response will be considered approval). Any comments received from Executive Committee members must be resolved by the relevant Parent Committee Chair(s) and the Executive Committee Chair before approval or endorsement is granted.

If the Executive Committee endorses the material for adoption at the General Meeting it should also be posted on the IAIS website at least 14 calendar days prior to the General Meeting with a notice indicating that the material is set for adoption at the General Meeting.

In exceptional circumstances, Parent Committee Chair(s) may seek approval, in advance, from the Executive Committee for steps (ix) and (x) to be combined so that the Parent Committee(s) and Executive Committee are asked for approval simultaneously via written procedure or in joint or back-to-back meetings. In such situations all other requirements, such as notice and resolving any comments received, must still be followed.

- xi. **Adopted paper posted on public website; notice to the General Meeting.** Following adoption the final document shall be posted on the IAIS website. Material adopted by the Executive Committee must be presented at the following General Meeting for information.

The process set forth above does not limit or prohibit a Committee/Subcommittee from:

- Getting input from Members and stakeholders prior to submission of a project plan to the Executive Committee.
- Holding additional public sessions to gather input or disseminate information as necessary.
- Inviting technical input or feedback, either publicly or from selected stakeholders, at any time through means such as questionnaires, surveys or other requests for input. “Technical input” should be interpreted to include a broad range of expertise (e.g. to include consumer perspectives).
- Inviting subject matter experts to Committee/Subcommittee meetings to provide input on the development of matters as necessary. “Subject matter experts” should be interpreted to include a broad range of expertise (e.g. to include consumer perspectives).

As part of the process above, and in consultation with the Regional Coordinators, the responsible Subcommittee Chair and/or the Secretariat should develop a plan to specifically inform and engage all Members in addition to the public sessions set forth above. This could include conference calls with regional members to provide background to the consultation and subsequently to provide a discussion of comments received and responses thereto.