

Newsletter

June 2019

Issue 88



From the Secretary General

Many thanks to the Members and stakeholders joining us in Buenos Aires earlier this month for a very successful Global Seminar and set of committee meetings.



There were numerous highlights – including agreement on a clear way forward for the Insurance Capital Standard (ICS) monitoring period, the launch of the public consultation on specific drafting in the Insurance Core Principles (ICPs) and ComFrame that cover the proposed supervisory policy measures in the holistic framework for mitigating systemic risk, and the publication for information of the close to final version of ComFrame. But the one milestone that stood out for me was the adoption of an exciting new Strategic Plan for the Association for the next five years, from 2020 to 2024.

In the period ahead, finalisation and implementation of post-crisis reforms – ComFrame, including the ICS, and the holistic framework – will remain critical. At the same time, our focus will pivot to the next horizon. Trends and developments such as FinTech, cyber risk, climate risk, and the challenge of sustainable development, will reshape the business of insurance in the coming years. As the global community of insurance supervisors, the IAIS will support our Members in proactively responding to these challenges and opportunities. The Strategic Plan maintains the IAIS' core functions of developing supervisory material, supporting implementation of agreed standards and contributing to financial stability, reframed to reflect these key strategic themes.

See our website for more information on past achievements ([2018 in Review](#)), current projects ([2019 Public Roadmap](#)) and future strategy ([2020-2024 Strategic Plan](#)).

Jonathan Dixon, Secretary General

In this Issue

Did You Know?	1
In Focus	2
News Updates	6
Stakeholder Engagement	8
Meetings and Events	9
Notices	10
Appointments of Chairs and Vice-Chairs	11
Committee and Subcommittee Activities	11
A2ii Report	14

From the First 25 Years... Did You Know?

Did you know that in September 1997, the IAIS adopted the first set of insurance supervisory principles and approved the Memorandum of Understanding to facilitate information exchange among supervisors?

Annual Conference Registration Now Open for IAIS Members

Member registration is now open for the IAIS committee meetings, Annual General Meeting of the membership and Annual Conference to be held in Abu Dhabi, United Arab Emirates, from 11-15 November. To register, please click [here](#). General registration for stakeholders/public will open on 15 July.



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...**Global Seminar Closes Out Productive Week of Dialogue and Decision**

When the Global Seminar concluded on 14 June, it marked the completion of five days of dialogue and decision in Buenos Aires. But even before the week began, the general membership had approved the 2020-2024 Strategic Plan and Financial Outlook (SPFO).

In comments following the Global Seminar, Secretary General Jonathan Dixon expressed his thoughts on the achievements of the past week: “I am particularly excited about the range of work that has been accomplished over the course of this past week, from the adoption of a new Strategic Plan, to continued progress on key post-crisis reforms, capped off with a more dynamic and engaging Global Seminar”.

Global Seminar

As the key stakeholder event for the IAIS, the Global Seminar lived up to its billing. In her welcoming remarks, Vicky Saporta, Executive Committee Chair, paid tribute to the importance of this event: “The inputs we receive and the perspectives we share are vitally important to the work we are doing. It is without a doubt an integral part of our strategic cycle”.



This year’s forum featured some format changes designed to inject more opportunities for stakeholder participation and audience interaction. For the first time, the Global Seminar included several stakeholder-led panels as well as a one-on-one conversation between Executive Committee Chair, Vicky Saporta, and President of the Global Federation of Insurance Associations (GFIA), Recaredo Arias. This resulted in a more lively and interactive set of discussions.

Session 1: The IAIS Strategic Plan 2020-2024 – the new strategic direction

This session provided the audience with an opportunity to learn more about the IAIS vision for 2020-2024 in a conversation between Executive Committee Chair Vicky Saporta and Recaredo Arias, President of GFIA and Director General, Association of Mexican Insurance Companies.

The conversation focused on the key areas of activity contemplated in the IAIS 2020-2024 Strategic Plan, including standard setting, supervisory practices to address emerging(ed) risks, assessment of implementation and stakeholder engagement. Based on audience polling, over 70% of respondents agreed with the IAIS’ stated intention to focus more on the implementation of standards. The audience felt that the key themes/emerging(ed) risks and trends the IAIS should focus on under the new strategic plan, in order of priority, are Fintech, cyber, and sustainability. The audience agreed that when it comes to the most effective way to engage with stakeholders, in-person sessions remain the preferred method.

Session 2: ComFrame and the ICS – moving towards implementation



This session began with a presentation from the Secretariat on the current status of ComFrame and ICS Version 2.0 for the monitoring period. The presentations are available [here](#).

With respect to ComFrame, panellists discussed the focus of, and potential challenges for, IAIS Members and industry during the initial period following adoption. While current industry practices are already aligned with ComFrame to a certain degree, there are a number of new elements in the framework that will need to be considered.

With respect to the ICS, panellists discussed key technical changes in the field testing specifications and how those changes may impact decisions for finalising ICS Version 2.0 for the monitoring period. They commented on the positive changes reflected in 2019 Field Testing. Industry panellists commented on the challenge of resolving all issues by November. On the monitoring period, panellists expressed mixed views on the extent of changes to ICS that could be made, with some stressing the need for a period of stability to monitor the performance of ICS over time, while others felt that there are likely to be design aspects that need to be further revised earlier on in the monitoring period. Lastly, panellists discussed the ongoing work of developing criteria to assess whether or not the Aggregation Method being developed by the US and other interested jurisdictions provides comparable outcomes to the ICS.

Session 3: The Holistic Framework for Systemic Risk in the Insurance Sector



This session began with the Secretariat providing a progress update on the development of the holistic framework and the draft supervisory material subsequently published for public consultation. Panellists spoke to the importance of targeting supervisory policy measures based on the materiality of the systemic risks. Discussions included the question of how to calibrate the intensity of measures depending on the risk, not only based on internationally active insurance group (IAIG) status. Panellists also highlighted the importance of looking at risk on a cross-sectoral basis, including relative to the banking and asset management sectors, and the potential for second round effects to create procyclicality. They explored the question of how to distinguish between what is an emerged risk, a risk that is only just building up, and a risk that is covered by regular enterprise risk management. The point was made that under a holistic approach, all of these elements matter.



Session 4: ExCo Dialogue

For the fifth consecutive year, the IAIS held the ExCo Dialogue – an important annual conversation between stakeholders and the IAIS Executive Committee. This year the dialogue followed a structured “open microphone” format to allow for a more free-flowing conversation, based on comments received from Executive Committee

members and stakeholders. The dialogue provided an opportunity for stakeholders to ask questions of Executive Committee members and, in turn, for Executive Committee members to share their perspectives with stakeholders. The first segment covered emerging(ed) risks. Cyber insurance, financial inclusion and sustainability were among the issues discussed. This was followed by a second segment on implementation, and concluded with a segment on standard-setting and financial stability.

During this part of the discussion, Executive Committee members addressed questions on the ICS, holistic framework and ComFrame. The IAIS will consider the inputs from the dialogue in its strategic planning cycle.

Session 5: The role of insurance in promoting economic development and resilient communities, including sustainable infrastructure investment

This session focused on the critical role the insurance sector plays in supporting resilience and stability of the real economy, including the role that insurance supervisors and regulators can play in supporting these objectives.

Panellists discussed the existing protection gap in both developed and emerging markets, as well as strategies that insurance supervisors and regulators can adopt to help narrow the gap. Open source modelling and other data-driven strategies are emerging as tools that will foster environments conducive to carriers providing cover for catastrophic risks previously withdrawn in developed markets. The case of Argentina was discussed as an example of the role that reinsurance plays in expanding the market's capacity to absorb losses. The audience predominantly agreed that the insurance sector should be equally concerned about closing the gap in both developed and emerging markets.

The conversation then turned to investments in infrastructure projects, which are generally long term and may provide a natural match for insurers' liability-driven investment strategies. Attendees were divided as to whether or not insurance regulation should support or be neutral regarding this type of investment, but generally agreed that it should not deter insurers from investing. Careful attention was given to the special risks arising from infrastructure projects and a comprehensive risk-based approach was discussed as a recommended measure for supervisors and regulators. Lack of appropriate projects in the pipeline was identified by the audience as an important factor preventing insurers from investing more in infrastructure, followed by capital charges in solvency frameworks and other regulatory obstacles.



Lastly, the panel discussed the inclusion of environmental, social and governance factors in insurers' risk management frameworks, particularly given the growing focus on investment in green or sustainable assets, which may require longer time horizons.

Session 6: Climate risk – challenges and opportunities with implementation of climate-related financial disclosures

In recent years, regulator and industry awareness of climate risks has evolved markedly. The pressure is now on firms and regulators to ensure better disclosure of these risks.

During this session, panellists discussed where the insurance sector is today on climate-related financial disclosures, what the opportunities and challenges are and where we should be tomorrow.



The panel began by looking at what can be learned after 30 years of climate-related disclosures and what tools are available. Panellists provided insights into the way in which the insurance sector performs vis-à-vis banks and asset managers in meeting the challenges of providing climate-related disclosures. From an insurer perspective, the value of understanding climate risk exposure and the opportunity to distinguish the insurer's profile from others in the market was highlighted. The panel also touched on

regulatory actions necessary to move beyond raising awareness and towards taking action to close the protection gap.

The audience was polled and a resounding number of those voting felt that mandatory disclosure of climate risk information should be required by legislation. The audience also felt that the most important role the IAIS could play in the area of climate risk is to provide a platform for discussion and develop guidance for IAIS Members.

Session 7: Culture, conduct and governance – exploring linkages between prudential and conduct risk



Panellists provided perspectives on the interrelationship between prudential and conduct risk, with specific focus on three potential areas of linkage: corporate culture, governance and accountability; business strategy, profitability and sustainability; and policyholder protection.

They generally agreed that in these areas, conduct and prudential issues can serve as mirrors for each other in that poor culture and conduct could expose firms to prudential risks and improper management of prudential risks could lead to poor outcomes for consumers.

Panellists acknowledged that supervisors have come a long way in increasing their focus on conduct-related issues over the past few years. However, they noted that jurisdictions are at varying stages of maturity in embedding conduct risk within their respective frameworks. Much work still needs to be done to gather meaningful data in order to assess actual consumer outcomes before determining the most appropriate supervisory responses to these issues. Various IAIS initiatives in this regard were highlighted. The panel welcomed the IAIS' intention to enhance its focus on conduct-related issues going forward.

Session 8: New technologies – trends and developments in the market and implications for policyholders and supervisors



During this last session, panellists considered new technologies and discussed the ways in which financial technology is changing the insurance sector and impacting consumer outcomes. According to the results of audience polling, regulators were seen as generally not sufficiently prepared for FinTech.

Panellists also considered several examples of how insurers are changing their business models in response to financial innovation and taking customer outcomes and interests into account. They also touched upon the consequences and challenges of these new business approaches for supervisors. While many innovations provide benefits, panellists noted some concerns with P2P platforms that may fall outside of the regulatory perimeter. Issues of ethical management of information were also discussed, particularly as they relate to privacy protection, fraud prevention and influencing customer lifestyle. Lastly, panellists explored the benefits of facilitating innovation (including hubs and sandboxes), including the consequences of graduation from the sandbox.

Executive Committee Meeting

Prior to the Global Seminar, the Executive Committee reached agreement on a number of key initiatives.

First, members approved the release for public consultation of the draft supervisory material related to the Holistic Framework for Systemic Risk. They also approved IAIS supervisory material for public consultation. See related Executive Committee meeting report on [p 11](#).



Second, the committee approved the publication of the outcome of the 2018 public consultation on overall ComFrame for information purposes.

Third, the committee approved certain proposals with respect to monitoring the identification of IAIGs and supporting implementation of ComFrame. Importantly, members also reached agreement on an approach for disclosing information on the identification of IAIGs.

Fourth, with regard to the ICS, the committee agreed on a proposed process for the monitoring period.

In other items, members discussed the status of the 2019 G-SII (Global Systemically Important Insurers) Data Collection Exercise; endorsed the final report on the Member Assessment on Guernsey; expressed support for proposals to enhance stakeholder engagement; and received reports from the Audit and Risk Committee, the Implementation and Assessment Committee, the Fintech Forum, the Sustainable Insurance Forum and the host of the 2019 IAIS Annual Conference.

Executive Committee members unanimously elected David Altmaier, USA Florida, as a Vice Chair of the Executive Committee to replace Julie Mix-McPeak, who has left the Tennessee insurance authority.

News Updates

Extraordinary General Meeting Concludes

The IAIS' Extraordinary General Meeting by written procedure was organised to approve the 2020-2024 SPFO and elect several Executive Committee members. It closed on 7 June. No objections to the resolutions were received.

The membership approved the 2020-2024 SPFO, including the Member fees, and voted to elect each of the nominated Executive Committee members.

Welcome and congratulations to our newest Executive Committee members:

- Else Bos (DNB, Netherlands);
- Zhou Liang (CBIRC, China);
- Didier Millerot (European Commission); and
- Tom Sullivan (Federal Reserve Board, USA)

The approval of the SPFO leaves the IAIS well positioned to take on the challenges of the next five years: finalising and implementing our part of the post-crisis reform agenda, while at the same time pivoting our focus to the next horizon, proactively responding to the new risk landscape and pressing societal challenges. For more on the SPFO, please see the related story below.

IAIS Embarks on New Strategic Direction with Approval of the 2020-2024 Strategic Plan and Financial Outlook

With the membership's approval of the 2020-2024 SPFO, the IAIS will soon embark on a new strategic direction. A product of extensive Member and public input over the course of its 18-month development, this new SPFO sets out the High Level Goals and Strategies that will guide the Association in its work for the next five-year period beginning 1 January 2020.

Vicky Saporta, Executive Committee Chair, stated: "The new strategic plan encapsulates significant changes for the Association, our Members as supervisors, but also the global insurance industry and policyholders more widely. While the IAIS maintains its core functions of developing global standards, supporting implementation and contributing to global financial

"The new strategic plan encapsulates significant changes for the Association, our Members as supervisors, but also the global insurance industry and policyholders more widely".

--Victoria Saporta, Chair, Executive Committee.

stability, the period ahead will see a change in emphasis toward applying these functions in ways that help our Members proactively respond to a rapidly changing global environment driven by technological innovation, shifts in consumer behaviour and societal challenges".

In developing the new SPFO, the IAIS identified a number of trends and developments in insurance markets and insurance supervision that are likely to impact the Association's Mission. These include a host of emerging(ed) policy issues such as FinTech, cyber risk and climate risk, as well as the challenge of sustainable development, each with the potential to reshape the business of insurance in the coming years. As the global community of insurance supervisors, the IAIS must continue to evolve with these changes.

As Secretary General Jonathan Dixon noted: "Under its current strategic plan, the IAIS has made significant progress on its post-crisis reform agenda, with the finalisation of the Common Framework for the Supervision of Internationally Active Insurance Groups – ComFrame – and a holistic framework for the mitigation of systemic risk in the global insurance sector expected before the end of 2019. Under the new plan, from 2020 onwards, finalisation and implementation of agreed reforms remain a critical priority. However, the focus will necessarily shift to the next horizon".

The five High Level Goals, along with the associated Strategies, for the 2020–2024 period reflect the core functions of developing supervisory material, supporting implementation and contributing to financial stability, while reframed to reflect the changing global context and key strategic themes. Together, these will guide the work of the Association for the next five years. For each High-Level Goal, the plan describes specific operational considerations.

To view the 2020-2024 Strategic Plan, please click [here](#).

SSN, A2ii and IAIS host Roundtable on “Insurance for Women: Specific Needs and Inclusion.”



The Superintendencia de Seguros de la Nación (SSN, Argentina) and the A2ii, with the support of the IAIS, organised a roundtable to raise awareness among insurance supervisors, policymakers and industry of the relevance of and barriers to women’s effective access to insurance in the context of financial inclusion in policymaking and insurance supervision.

Vicky Saporta, Chair of the IAIS Executive Committee, and Juan Pazo, Superintendent of Insurance of Argentina, provided opening remarks, calling attention to the challenges and opportunities of increasing insurance penetration for women.

Hannah Grant, Head of the A2ii Secretariat, spoke about the importance of women’s financial inclusion for the macro and micro economic perspectives, as well as existing legal, socio-economic and cultural barriers to financial inclusion of women around the globe. She highlighted the work A2ii has been developing to bridge the gender gap in insurance.

Francisco Sosa del Valle, Under-Secretary of Finance and Financial Services of the Argentinian Ministry of Finance, addressed the different policy measures adopted to improve financial inclusion of women in Argentina. Helena Estrada, Director of the Centre for the Economic Development of Women (CEDEM), presented a compelling case of the different needs and preferences of women throughout their lives in terms of protection and financial services, and highlighted the existing business opportunity for the insurance industry.

Suzette Vogelsang, Vice Chair of the IAIS Executive Committee for emerging markets and developing economies, spoke about the measures being taken in South Africa to increase financial inclusion of women, and Siham Ramli, Director of Communication and International Affairs of the Autorité de Contrôle des Assurances et de la Prévoyance Sociale (ACAPS), presented the financial education strategy rolled out in Morocco to overcome socio-cultural barriers for inclusion.



Representatives of the local insurance industry also attended the roundtable and shared the products specifically designed for vulnerable populations, and those with high uptake by women.

Stakeholder Engagement

Public Consultation Underway on ICP and ComFrame Revisions Related to the Holistic Framework for Systemic Risk

The IAIS has issued a public consultation on revisions to the ICPs and ComFrame related to the holistic framework for systemic risk in the insurance sector. As part of the development of the holistic framework, scheduled for adoption in November, the IAIS is seeking feedback on the following:

- ICP 9 (Supervisory Review and Reporting) and ComFrame in ICP 9;

- ICP 10 (Preventive Measures, Corrective Measures and Sanctions);
- ICP 16 (Enterprise Risk Management for Solvency Purposes) and ComFrame in ICP 16;
- ICP 20 (Public Disclosure); and
- ICP 24 (Macroprudential Supervision).

Feedback on this material is invited by 15 August. For more information or to provide feedback, please click [here](#).

A public background call has been scheduled for 2 July to provide further detail on the material published for consultation. Additional information about the call, as well as registration, can be found on the [Stakeholder Meetings webpage](#) of the IAIS website. If you wish to participate in the teleconference, please register via this [link](#). Dial-in details will be emailed to registrants immediately after registration. If you have any questions, please contact iais@bis.org.

Supervisory Material is the Focus of IAIS Public Consultation

The IAIS has issued a public consultation on IAIS supervisory material and is seeking feedback on the following:

- Draft revised IAIS Glossary;
- Draft ComFrame Assessment Methodology;
- Changes in the Introduction to ICPs and ICP 7 (Corporate Governance) for consistency with ComFrame development; and
- Draft revised ICP 22 (Anti-Money Laundering and Combatting the Financing of Terrorism).

Feedback on this material is invited by 15 August.

The consultation document also presents revisions based on comments received during the 2018 public consultation on overall ComFrame. These revisions have been endorsed by the Executive Committee and are published for information. The outcome of the 2018 public consultation of ComFrame (summary of the main comments and their resolution as well as all 2018 public consultation comments) can be found on the 2018 public consultation webpage [here](#). For more information or to provide feedback, please click [here](#).

Meetings and Events

Upcoming IAIS Meetings: July - September

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
2-3 September	Macroprudential Policy and Surveillance Working Group (Rome)
10-11 September	Resolution Working Group
10-11 September	Standards Assessment Working Group (Guernsey)
10-13 September	Capital, Solvency and Field Testing Working Group (Quebec)
11-13 September	Financial Crime Task Force
17 September (PM)	Macroprudential Committee

17-18 September	Governance Working Group (Cape Town)
18 September	Policy Development Committee
19 September (AM)	ICS Task Force
19 (PM) – 20 September	Executive Committee
19-20 September	Insurance Groups Working Group (Cape Town)
24-25 September	Accounting and Auditing Working Group (Copenhagen)
24-25 September	Market Conduct Working Group (Kansas City)

Stakeholder Meetings

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



Notices

Call for Papers

The Superintendencia de Bancos e Instituciones Financieras (SBIF) and the Comisión para el Mercado Financiero (CMF), the World Bank Group – Research & Development Center in Chile, the Association of Supervisors of Banks of the Americas (ASBA) and the Escuela de Negocios de la Universidad Adolfo Ibañez cordially invite you to submit your research papers for presentation consideration to the fifth edition of the “Financial Development and Stability Conference” (previously called “Banking Development, Stability and Sustainability Conference”).

The conference will take place on 22 November in Santiago, Chile. As with previous editions, this conference aims to bring together academics, practitioners, and policymakers sharing interests in financial development and stability. It also provides a forum for presenting new research as well as discussing current and challenging issues on these topics.

Authors are invited to submit their full papers in PDF format, in English, no later than 15 August. Research submissions should be sent to: research@cmfchile.cl. Submitted manuscripts will be peer-reviewed. No submission fee is required. General inquiries regarding the call for papers should be directed to research@cmfchile.cl.

For more information, please refer to the conference website: <http://conference.sbif.cl>.

Committee and Subcommittee Activities

Committee Activities

Appointments of Chairs and Vice Chairs

The Executive Committee has recently made the following appointments:

- David Altmaier (USA, Florida) as a Vice Chair of the Executive Committee.

Executive Committee

The Executive Committee met on 12 June in Buenos Aires. At its meeting, among other items, the Committee:

- Approved to publish, for information, the outcome of the 2018 public consultation on overall ComFrame;
- Approved for public consultation IAIS supervisory material;
- Approved certain proposals with respect to monitoring the identification of IAIGs and supporting implementation of ComFrame;
- Reached agreement on an approach for disclosure of information on identification of IAIGs;
- With regard to the ICS, agreed on a proposed process for the monitoring period;
- Discussed the status of the 2019 G-SII Data Collection Exercise;
- Approved to release for public consultation, the draft supervisory material related to the Holistic Framework for Systemic Risk;

- Endorsed the final report on the Member Assessment on Guernsey;
- Expressed support for certain proposals designed to enhance stakeholder engagement; and
- Received reports from the Audit and Risk Committee, the Implementation and Assessment Committee, the Fintech Forum, the Sustainable Insurance Forum and the host of the 2019 IAIS Annual Conference.

Secretariat Support: malene.duncan@bis.org

Implementation and Assessment Committee

The Implementation and Assessment Committee met on 11 June in Buenos Aires. The Committee:

- Welcomed new Vice Chair Thomas Huang (FSC, Chinese Taipei) and new regional coordinator for the Latin America Region Juan Pazo (SSN, Argentina), among others;
- Supported the recommendations to the Executive Committee prepared by the Signatories Working Group on ways to deepen and strengthen the validation pool for the Multilateral Memorandum of Understanding;
- Endorsed the final report of the Member Assessment Process of Guernsey, to be presented for Executive Committee approval;

- Approved the Supporting Material Drafting Guide; and
- Discussed the implementation assessment of ComFrame and the Holistic Framework.

Secretariat Support: natalia.escobar@bis.org

Macprudential Committee

The Macprudential Committee met on 11 June in Buenos Aires. During the meeting, members received updates from various working groups and discussed the progress towards the development of a holistic framework for the mitigation of systemic risk.

The Committee recommended for Executive Committee approval the release for public consultation the revised draft ICP and ComFrame material related to the holistic framework.

Committee discussions also included another key element of the framework – the global monitoring exercise. The main elements of the global monitoring exercise were highlighted: sector-wide monitoring, individual insurer monitoring, interplays between sector-wide and individual insurer developments and IAIS collective discussions.

Secretariat Support: andrei.radu@bis.org and hanne.vanvoorden@bis.org

Policy Development Committee

The Policy Development Committee met on 10 June in Buenos Aires. The Committee recommended the following for Executive Committee approval:

- On the outcome of the 2018 public consultation on ComFrame (to be published for information): revisions to draft ComFrame material based on 2018 public consultation comments and the summary of the main 2018 public consultation comments and resolution thereof;
- Minor changes in ICPs 10 (Preventive Measures, Corrective Measures and Sanctions), 12 (Winding Up and Exit from the Market) and 16 (Enterprise Risk Management for Solvency Purposes) related to ComFrame development (to be published for information); and
- Revisions to the Introduction to ICPs and ICP 7 (Corporate Governance) related to the development of ComFrame, draft revised IAIS Glossary; and draft revised ICP 22 (AML/CFT), for public consultation.

The Committee also discussed issues related to implementation of ComFrame, 2019 Field Testing of ICS Version 2.0 and preparation for the ICS Version 2.0 monitoring period.

Secretariat Support:
yukiko.kamegawa@bis.org and
grzegorz.komarnicki@bis.org

Subcommittee Activities

Accounting and Auditing Working Group

The Accounting and Auditing Working Group next meets on 23-24 September in Copenhagen and is expected to discuss the International Accounting Standards Board's (IASB) Exposure Draft on the amendments to and potential delay of IFRS 17. The Working Group also expects to discuss the IASB agenda, audit quality issues and jurisdictional implementation activities of IFRS 17, along with Monitoring Group developments, and hold a Stakeholder call-in session.

Secretariat Support: jay.muska@bis.org

G-SII Analysts Working Group

The G-SII Analysts Working Group met in May 2019 in Basel. Per its mandate, the Working Group is responsible for coordinating the annual review of potential G-SIIs in accordance with the framework determined by the Macroprudential Committee. The main purpose of the meeting was to undertake the annual review (ie 2019 Data Collection Exercise) and the related supervisory judgment processes.

Secretariat Support: rogier.derksen@bis.org

Governance Working Group

At its meeting on 23-24 May, the Governance Working Group finalised resolution of the 2018 public consultation comments on ComFrame material in ICPs 5 (Suitability of Persons), 7 (Corporate Governance) and 8 (Risk Management) and revision of draft ComFrame based on the public consultation comments. The Working Groups also agreed on revisions to ICP 7 related to ComFrame development (for public consultation).

The Working Group also continued discussions about the scope of the *Application Paper on Supervision of Control Functions and Issues*

Paper on Drivers of Good and Bad Governance-related Practices and Behaviour towards Customers (a joint project with the Market Conduct Working Group).

Secretariat Support:
grzegorz.komarnicki@bis.org

Insurance Groups Working Group

At its meeting on 21-22 May, the Insurance Groups Working Group finalised resolution of the 2018 public consultation comments on ComFrame material in ICPs 9 (Supervisory Review and Reporting), 10 (Preventive Measures, Corrective Measures and Sanctions), 23 (Group-wide Supervision) and 25 (Supervisory Cooperation and Coordination).

The Working Groups also discussed issues related to identification of IAIGs and supervisory cooperation and coordination in supervision of IAIGs, in the context of preparation for implementation of ComFrame.

Secretariat Support:
grzegorz.komarnicki@bis.org

Market Conduct Working Group

The Market Conduct Working Group met in Amsterdam on 27-28 May. The key focus of the meeting was to finalise the draft *Issues Paper on the Use of Big Data Analytics*. A number of stakeholders were invited to present their perspectives on the topic during the meeting.

Other initiatives discussed during the meeting included current joint work with the Financial Inclusion Working Group on the use of indicators to assess conduct-related performance in inclusive insurance and future joint work with the Governance Working Group on drivers of good and bad governance-related practices and behaviour towards customers.

Secretariat Support: farzana.badat@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

The 15th A2ii-IAIS-MIN Consultative Forum, “Inclusive Insurance: Climate and Disaster Risk: Building Resilience, Bridging the Protection Gap”, 7 May, Panama City, Panama

This 15th Consultative Forum provided a platform for in-depth discussions on the role of insurance providers, policymakers, regulators and supervisors in reducing the protection gap in the face of climate risk. Around 70 participants from 19 countries, representing all stakeholder groups, including supervisors and policymakers, shared their views on the way in which mutual cooperation can facilitate innovative and suitable tools to build the resilience of the most vulnerable segments of the population against natural disasters.

A comprehensive risk management strategy is needed to better deal with risk related to climate change and disasters. The strategy must include measures for risk reduction, prevention and mitigation. One of the key messages emerging from the Forum was that while insurance is only one piece of the puzzle, it is a fundamental one.

Read more about the event in [English](#) and in [Spanish](#).

This Consultative Forum was organised by the IAIS, A2ii and Microinsurance Network, in

partnership with the Association of Insurance Supervisors of Latin America (ASSAL) and the InsuResilience Global Partnership. It was hosted by the Superintendencia de Seguros y Reaseguros de Panamá.



Inclusive Insurance Training Program for Supervisors, 7-10 May, Bangkok, Thailand

Thirty-one supervisors from the Asian region and Africa (ie Lao PDR, Kenya, Timor Leste, Papua New Guinea, Malaysia, Nepal and Thailand) joined the Inclusive Insurance Training Program for Supervisors in Bangkok. The training was jointly organised by the A2ii, the ASEAN Insurance Training and Research Institute, the IAIS and the Toronto Centre. It was hosted by Thailand’s Office of Insurance Commission.



Supervisors enjoyed expert presentations based on the IAIS *Application Paper on Inclusive Insurance Supervision and Regulation*, in addition to concrete case studies and recent practices from selected jurisdictions that have advanced in the field of inclusive insurance. Participants also exchanged experiences from their own countries and worked together with the trainers to develop concrete action plans to advance inclusive

insurance market growth in their own jurisdictions.

Policy Dialogue, “Accelerating Insurance Market Development in West and Central Africa”, 14-15 May, Abidjan, Côte d’Ivoire

Forty participants from supervisory authorities, insurance companies, brokers, development partners and training institutes participated in the Policy Dialogue. It provided room for lively discussions. Topics covered included: the role of supervisors in developing markets, infrastructure insurance, climate risk insurance, digital technologies and Small to Medium Enterprise (SME) insurance. The A2ii presented supervisory trends in inclusive insurance.



IAIS-A2ii Consultation Call, “Bridging the Gender Gap: The Role of the Insurance Supervisor”, 23 May

This Consultation Call explored many of the key issues relating to financial inclusion barriers for women, mainstreaming gender and targeting women, the role of the insurance supervisor and the difference regulators can make in bridging the gender gap.

For supervisors unable to attend, the presentations are available [here](#). Keep an eye out for Consultation Call reports. These are available on the A2ii website ([link](#)). A summary report of this latest Consultation Call will be posted soon.

Supervisors may also direct questions on this topic to consultation.call@a2ii.org.

The Asian Forum of Insurance Regulators’ (AFIR) 14th Annual Meeting & Conference, “Promoting Broader and Sustainable Insurance Market with Effective Supervisory Practices”, 22-24 May, Macao

This event was hosted by the Monetary Authority of Macao and attended by about 50 representatives from insurance regulatory authorities and international organisations.

The A2ii presented on “What the Protection Gap Means to Regulators and the Insurance Industry”. The A2ii then moderated a panel on “Regulation and Supervision Supporting Inclusive Insurance”, where insurance regulators from Thailand, Malaysia and Chinese Taipei discussed their experience in taking regulatory and policy measures to close the protection gap in their markets.

The protection gap was a central theme of the conference. Participants agreed that all countries grapple with the protection gap, be it in agricultural microinsurance, life insurance, healthcare for the ageing or climate risk. In parallel, supervisors must increasingly manage the challenge of emerging technology. Presenters and panellists discussed their approaches and the evolving role of supervisors against this dynamic backdrop.



Upcoming Events

Impact Insurance Academy, 8-12 July, Turin, Italy

The International Labour Organisation’s Impact Insurance Academy is providing a unique opportunity to learn from more than ten years of experience in inclusive insurance.

By combining plenary sessions with specific electives, the Academy offers a dynamic learning environment for participants and experts from all over the world to discuss ways to develop inclusive insurance.

For more information, please click on this [link](#).

The focus and approach of the training will be on teaching principles, while making the training as practical and simple as possible. The training techniques will involve a range of lecture-based sessions, case studies, breakout sessions and quizzes.

For more information and to access the registration form, please click on this [link](#).



Registration now open for
A2ii-IAA-IAIS-AITRI training

Capacity Building for
Insurance Supervisors -
Leveraging Actuarial Skills

5 - 9 August 2019
Jakarta, Indonesia

Participants can look forward to:

- Actuarial concepts and tools for effective risk-based supervision
- Interactive sessions, preparatory and follow-up support

Register by: 24 June, 2019

Logos: OJK, ASEAN, IAIS, A2ii, UKaid

“Capacity Building for Insurance Supervisors – Leveraging Actuarial Skills”, 5-9 August, Jakarta, Indonesia

This Training “Capacity Building for Insurance Supervisors – Leveraging Actuarial Skills” is jointly organised by the IAIS, A2ii, International Actuarial Association and ASEAN Insurance Training and Research Institute. It will be hosted by the Financial Services Authority (OJK) of Indonesia.

This training aims to strengthen supervisor understanding and application of actuarial concepts and tools.

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



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

© International Association of Insurance Supervisors 2019. All rights reserved. Brief excerpts may be reproduced or translated provided the source is stated.