

Newsletter

August/September 2020

Issue 98



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

In this Issue

Calendar Notes	1
From the Secretary General	1
In Focus	2
News Updates	3
Stakeholder Engagement	4
Meetings and Events	5
Seminars and Training	6
Appointments of Chairs and Vice-Chairs	7
Committee and Subcommittee Activities	7
A2ii Report	12
FSI Report	19

Calendar Notes

22 October 2020

Accounting and Auditing Working Group
(AAWG) Stakeholder teleconference
([see page 4](#))

From the Secretary General

As part of the IAIS' annual strategic planning cycle, we come together each September to take stock and start planning our work programme for the next two years. Taking into account Member and stakeholder input, we reflect on how the priorities set out in our strategic plan continue to be reflected in our work or how they may need to be adjusted in light of external developments.



2020 is, of course, an exceptional year in this regard. The uncertainties around the duration and longer-term impact of the Covid-19 pandemic remain high. This year our annual Executive Committee strategic retreat took

place not only virtually for the first time, but also in an environment where we had to ask some fundamental questions about the impact of Covid-19 on both our work programme and how we work, given that many recent adaptations to Covid-19 – such as remote working and reduced travel – are likely to be with us for a while.

Discussions at our strategic retreat reaffirmed our commitment to deliver on the implementation of key post-crisis reforms, including the Holistic Framework for systemic risk in the insurance sector and ICS version 2.0 for the monitoring period, according to the agreed timelines. The relevance of these projects has increased in light of the Covid-19 pandemic, providing a real-time test of both our new framework for macroprudential risk assessment and of how the ICS behaves under stressed conditions.

At the same time, Covid-19 has been a catalyst for further acceleration of key strategic themes – including technological innovation in insurance, cyber risk and a focus on sustainability and inclusion as part of the insurance sector's contribution to economic recovery. Our work programme will continue to have a strong focus on all of these areas.

The work programme remains ambitious, but thanks to the strong commitment of Members and the Secretariat team, we have demonstrated the ability to continue to deliver in an environment of remote working and virtual meetings. This adapted approach to how we work has also had benefits in terms of the number of Members and stakeholders that we can reach through our supervisory capacity building initiatives and milestone events. We will continue to build on these opportunities in the years ahead.

As we finalise our 2021-2022 Roadmap in the coming months, I look forward to sharing more on how we are embracing the challenges and opportunities of this new environment.

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 Welcomes 75th Member to the MMoU!**

Astana Financial Services Authority (Kazakhstan) has become the 75th member of the International Association of Insurance Supervisors (IAIS) Multilateral Memorandum of Understanding (MMoU).

Adopted on 15 February 2007, the IAIS MMoU provides a global framework of compliance and confidentiality to allow for open cooperation and exchange between insurance supervisors. With 75 signatories, the IAIS MMoU signatories represent approximately 76 per cent of worldwide premium volume.

To become a signatory to the MMoU, applicants undergo a rigorous assessment of their professional secrecy regimes. The MMoU benefits its signatories in that each may rely on the other's compliance with the strict confidentiality regime, which each of them has verified and confirmed before acceding to the MMoU. Accordingly, when signatories need to exchange confidential information, they can trust that each counterparty has the appropriate provisions and procedures in place to protect the confidentiality of such information.

The 75th signatory marks an important milestone because supervisory cooperation is a necessary precondition for effective cross-border supervision. Thus, the more signatories included, the more value it provides for IAIS Members overall.

A joint press release from Astana Financial Services Authority and the IAIS is available [here](#).

A complete list of international signatories and a copy of the MMoU can be found [here](#).

15 Years of the IAIS MMoU – Celebrating the 75th Signatory

*A tribute to the MMoU by Mark McGinness, Director, Head of International Relations
Dubai Financial Services Authority*



It will be fifteen years next month since the IAIS commenced its project to develop a mechanism for its Members to share information and cooperate. By June 2009, Bermuda, Chinese Taipei and Germany, had satisfied the exacting and comprehensive validation process and became the first signatories to the MMoU, a significant milestone.

The 2010 IAIS Annual Conference in October that year proved particularly memorable for us as it was held in Dubai and hosted by the Dubai Financial Services Authority (DFSA). It also marked the IAIS's acceptance of the DFSA as a signatory to the MMoU. The application and validation processes were particularly rigorous, testing not just our legislative framework but the rules, policies and practices which support it. The three pillars were, and are, an ability to obtain information, to share it and last, but not least, to maintain its confidentiality. The rigour of the validation process – completing the detailed application form followed by a volley of supplementary queries and amplifications by the three-member Validation Team and then the wider Signatories' Working Group (SWG). The exacting nature of the process may seem daunting and onerous to applicants, but the outcome is doubly satisfying. Successful signatories have first, the satisfaction of knowing they have met world's best practice and second, pride in the knowledge that they have joined a virtuous circle of supervisors who can reliably share information and genuinely provide cross-border assistance in the supervision of both insurance companies and insurance groups.

One of the conditions on becoming a signatory to the MMoU was that the successful Member would provide a representative to join the SWG. This practise has had the double advantage of easing the burden for existing validators (for the benefit of the IAIS) but also deepening the knowledge pool and adding to the experience of those representatives in the area of cooperation and confidentiality (for the benefit of the represented supervisor). In its decade on the SWG, the DFSA has benefitted enormously from its understanding of the rules and regimes of other jurisdictions. The operational benefits are also tangible – even when dealing with fellow supervisors who have not yet become MMoU signatories; a request from a supervisor who is a signatory and thus has a proven, robust confidentiality framework, is enough to engender the trust and confidence to guarantee a satisfactory response.

The exacting nature of the process may seem daunting and onerous to applicants but the outcome is doubly satisfying.

The DFSA's status as an IAIS MMoU signatory is a mark of pride, which gives confidence to investors, consumers and their advisors that the DFSA is a jurisdiction of choice, willing and able to share vital information while maintaining its confidentiality and thus better able to engender their confidence and trust.

The DFSA warmly congratulates Astana FSA as the 75th signatory of the IAIS MMoU and looks forward with confidence to the future. Could there be a better milestone than to welcome our 100th signatory in 2025 – the 20th anniversary of this noble initiative?

News Updates

Save the Date: 2020 AGM and Annual Conference

Please save the date for the virtual IAIS Annual General Meeting (AGM) on 2 December 1:30 pm-3:30 pm CET and the virtual 27th Annual Conference on 3-4 December from 1:30 pm-3:30 pm CET.

Given the circumstances around Covid-19, the IAIS' Executive Committee has decided to hold this year's AGM and Annual Conference virtually.

The theme of this year's Annual Conference is **Sustainable Insurance: Emerging Risks, Trends and Opportunities**. As our sector continues to grapple with the Covid-19 pandemic and its repercussions, the topic of sustainability is more relevant than ever. Join us for in-depth discussions covering inclusive insurance, climate and pandemic risk. The IAIS Executive Committee will also host a virtual town hall, to share details about the IAIS Roadmap activities and also to provide stakeholders with an opportunity to ask questions to leadership and share their perspectives and views.

Questionnaire on Infrastructure and Strategic Equity

As part of its work on the Insurance Capital Standard (ICS) over the 2020-2024 monitoring period, the IAIS is exploring whether there should be a differentiated capital treatment of certain eligible infrastructure (both equity and debt) and strategic equity investments within the ICS.

In that context, on 7 September the IAIS launched two stock-take questionnaires relating to investments in infrastructure and strategic equity:

1. For IAIS Members – with a focus on the current prudential treatment of those investments under existing supervisory frameworks; and
2. For the public – with a focus on data sources to inform the IAIS’ work and an opportunity for stakeholders to share their experience with respect to infrastructure and strategic equity investments.

Responses to both questionnaires are expected by 7 December 2020.

More information on the public survey can be found [here](#).



IAIS Newsletter Questionnaire – Help us serve you better!

Please share your opinion about the IAIS Newsletter

To ensure that the IAIS Newsletter continues to meet your needs, we have developed this short questionnaire. It covers topics like format, content, frequency and distribution. There is also space for your comments and ideas. It will take you about 5 minutes to complete.

Access the questionnaire here: [Start](#)

The survey will remain open until **9 October 2020**.

Many thanks in advance for your participation!

Stakeholder Engagement

22 October 2020: Accounting and Auditing Working Group Schedules Teleconference To Receive Stakeholder Input

On 22 October at 14:00 CEST (Basel Time), the Accounting and Auditing Working Group of the IAIS will hold an interested stakeholder call-in session to provide updates on its activities and gather feedback on key matters of interest. The session will last for 30 minutes.

If you wish to participate in the conference call, please register online at [link](#). Dial-in details will be emailed to registrants 24 hours prior to the teleconference. If you have any questions, please contact IAIS@bis.org.

Meetings and Events

Upcoming IAIS Meetings: October – November 2020

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

Members should visit the IAIS website at www.iaisweb.org for the latest updates. The following groups are scheduled to meet virtually between October and November 2020:

Date	Group
October	
5 October	Insurance Groups Working Group
6 October	Governance Working Group
7 October	Governance Working Group & Market Conduct Working Group joint call
14 October	Executive Committee
15 October	Capital, Solvency and Field Testing Working Group
19 October	Resolution Working Group
19 or 20 October (TBC)	Budget Committee
21 October	Audit and Risk Committee
22 October	Accounting & Audit Working Group including Stakeholder teleconference
27 October	Infrastructure Task Force
27 October	Policy Development Committee
28 October	Implementation and Assessment Committee
29 October	Insurance Capital Standard Task Force
November	
TBC	Financial Crime Task Force
2 November	Macroprudential Committee
4-5 November	Executive Committee
12 November	Capital, Solvency and Field Testing Working Group
17 November	Macroprudential Supervision Working Group
18-19 November	Capital, Solvency and Field Testing Working Group
24 November	Policy Development Committee

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:****AFIR-FSI-IAIS Asia-Pacific virtual high-level meeting**
1 December 2020

The third Asian Forum of Insurance Regulators (AFIR) - Financial Stability Institute (FSI) - IAIS Asia-Pacific virtual high-level meeting on insurance supervision will be held on **1 December 2020**.

In progress:**7th FIRST ONE Programme**
20 August – 24 November 2020

The 7th FIRST ONE Programme online course will run from 20 August to 24 November and counts over 400 registered participants from over 45 jurisdictions. The IAIS-FSI FIRST ONE Programme uses a combination of FSI Connect online tutorials and live webinars to cover foundational topics on insurance supervision.

Recent:**ASSAL-FSI-IAIS Latin America virtual high-level meeting**
16 July

The FSI, IAIS and Asociación de Supervisores de Seguros de América Latina (ASSAL) organised a virtual high-level Meeting on 16 July. Participants discussed key regulatory developments affecting the region, the impact of Covid-19 on the insurance sector and accelerating risks and trends.

IAIS / A2ii Pandemic Risk webinars

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

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

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

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

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

Appointments of Chairs and Vice-Chairs

The Selection Committee has recently made the following appointments:

- **Michael Popp** (BaFin, Germany) as Chair of the Macroprudential Monitoring Working Group (MMWG);
- **Videshree Rooplall** (Prudential Authority, South Africa) as Chair of the Macroprudential Supervision Working Group (MSWG);
- **Mary-Cecile Duchon** (ACPR, France) as Chair of the Operational Resilience Task Force (ORTF); and
- **Todd Coslow** (FRB, USA) as Vice Chair of the ORTF.

The Implementation and Assessment Committee (IAC), upon recommendation of the Signatories Working Group (SWG), appointed:

- **Gita Timmerman** (NAIC, USA) as Chair of the SWG.

Committee and Subcommittee Activities

Committee Activities

Note: all meetings were held via video- or teleconference in light of Covid-19. This will continue through to end 2020 as per the decision of the IAIS Executive Committee.

Audit and Risk Committee

The Audit and Risk Committee (ARC) met on 7 September. The meeting focused mainly on the impact of Covid-19 on the IAIS and the risks to its operations and strategy.

Secretariat support: alessandro.nardi@bis.org

Executive Committee

The Executive Committee (ExCo) held a “virtual” strategic retreat on 22-23 September.

On the first day of the virtual retreat, ExCo discussed:

- The outcomes of the targeted assessment of the impact of Covid-19 on the global insurance sector and next steps;

- The planned Covid-19 data collection for the remainder of 2020;
- Key design elements of the planned targeted jurisdictional assessments of the implementation of the Holistic Framework supervisory material; and
- Enhancements to the IAIS’ assessment activities under the Coordinated Implementation Framework (CIF) Assessment Programme.

The second day of the virtual retreat provided an opportunity for ExCo to have a strategic discussion on the IAIS work programme, in light of Covid-19. Over the course of this discussion, ExCo members provided their views on the potential implications of the medium- to longer-term impact of Covid-19 on the IAIS’ key projects and activities. ExCo members also discussed the implications of Covid-19 on IAIS operations, with ExCo members generally expressing support for a continuation of virtual meetings, while also recognising the benefits of

continuing to hold periodic in-person meetings and stakeholder events.

ExCo members also provided initial input on a draft IAIS Environmental Policy.

Secretariat support: malene.duncan@bis.org

Implementation and Assessment Committee

The Implementation and Assessment Committee (IAC) met on 16 September to deliberate on various topics, including:

- Key design elements for targeted jurisdictional assessments of the implementation of the Holistic Framework supervisory material;
- Enhancing the IAIS' assessment activities under the CIF Assessment Programme; and
- Input into the strategic discussion on the IAIS work programme, ahead of the ExCo retreat.

Secretariat support: natalia.escobar@bis.org and akiko.nakamura@bis.org

Macroprudential Committee

The Macroprudential Committee (MPC) met on 21 September to have a collective discussion on the targeted assessment of the impact of Covid-19 on the global insurance sector. In addition, the MPC received updates on relevant projects, including:

Subcommittee Activities

Accounting and Auditing Working Group

The Accounting and Auditing Working Group (AAWG) met on 9 July and 4 September. Members discussed comment letters on exposure drafts from the IASB on Primary Financial Statements and the IAASB on ISA 600 (revised), Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors).

- Development of liquidity metrics, to be used as ancillary indicators as part of the individual insurer monitoring, which is planned to be published for consultation in November 2020;
- Development of an Application Paper on Macroprudential Supervision, to support implementation of ICP 24, which is planned to be published for consultation in March 2021; and
- Development of a special topic chapter on the financial stability impact of climate change on the insurance sector, to be published as part of the Global Insurance Market Report (GIMAR) in the first half of 2021.

Secretariat support: hanne.vanvoorden@bis.org and anna.aubel@bis.org

Policy Development Committee

The Policy Development Committee (PDC) met on 17 September. The meeting was devoted mainly to PDC input into the strategic discussion on IAIS work programme, ahead of the ExCo retreat.

Secretariat support: grzegorz.komarnicki@bis.org and yasuaki.ohara@bis.org

joint paper; Accounting Standards and Insurer Solvency Assessment.

Secretariat support: jay.muska@bis.org

Capital, Solvency and Field Testing Working Group

The Capital, Solvency and Field Testing Working Group (CSFWG) held meetings for the 2020 Insurance Capital Standard (ICS) and Aggregation Method (AM) Volunteer Groups on 29 July, 26 August and 24 September 2020 to discuss progress for the data submissions. The submission deadline for the 2020 ICS and AM Data Collection packages is 31 October 2020.

CSFWG met virtually on 15 September to discuss the analysis plan for the ICS data collection and the material to support supervisory college discussions of the ICS. CSFWG will next meet virtually on 15 October.

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

Financial Crime Task Force

The Financial Crimes Task Force (FCTF) is continuing its work on revising the Application Paper on Combating Money Laundering and Terrorism Financing. The FCTF has recently sought input from IAIS Members to update case studies relevant for the insurance sector, which are useful means to spread awareness on how money laundering and terrorism financing could materialise in this sector.

Secretariat support: alessandro.nardi@bis.org

Governance Working Group

The Governance Working Group (GWG) met on 14 September, during which the GWG discussed the feedback received from the Parent Committees on the proposed scope and structure of the Issues Paper on Adapting to Emerg(ing)ed Risks from a Corporate Governance and Risk Management

Perspective. In this regard, the GWG concentrated on focusing and streamlining the scope so the Drafting Team can commence drafting the Issues Paper.

Secretariat support: grzegorz.komarnicki@bis.org

Financial Inclusion Working Group

The Financial Inclusion Working Group (FIWG) held its final meeting on 25 August to discuss the key FIWG takeaways that could help the Financial Inclusion Forum (FIF) prepare for its launch by the end of 2020.

Secretariat support: natalia.escobar@bis.org

Macroprudential Monitoring Working Group

The Macroprudential Monitoring Working Group (MMWG) met on 1, 3 and 10 September. The main focus of the meetings was to perform the targeted assessment of the impact of Covid-19 on the global insurance sector.

The focus of the 1 and 3 September meetings was on analysing the Covid-19 data covering the first-quarter of 2020. The group also discussed the Covid-19 data coverage and quality, as well as ideas for further forward-looking analysis. In addition, the MMWG made progress on drafting the public consultation document on the development of liquidity metrics, as well as on the risk dashboard of key financial market indicators.

The 10 September meeting focussed on preparing for the MPC and ExCo collective discussion on the impact of Covid-19 on the global insurance sector, taking into account findings of the second-quarter 2020 data collections. The group also discussed considerations for collecting Q3-Q4 2020 Covid-19 data. A first exchange of views took place around future reporting to the FSB and stakeholders on the Covid-19 assessment. Finally, the MMWG also briefly discussed the progress made on defining the focus of the GIMAR special topic around climate risk.

The next MMWG meetings are planned for 29 September and 5 October, when the group will mainly follow-up on the outcome of the September MPC and ExCo meetings as well as the reporting to the different stakeholders.

Secretariat support: nicolas.colpaert@bis.org

Macroprudential Supervision Working Group

The Macroprudential Supervision Working Group (MSWG) met on 8 September to discuss a memorandum supporting decisions at the Parent Committee level on the scope of supervisory material to be included in the targeted jurisdictional assessments of the Holistic Framework. The MSWG also discussed the first draft of the Application Paper on Macroprudential Supervision.

Work is ongoing to prepare the draft Paper for review at the next MSWG meeting that is scheduled for 17 November. The objective of the next meeting will primarily be to discuss the progress of the Application Paper on Macroprudential Supervision. A public consultation of the Paper is planned to begin in March 2021.

Secretariat support: becky.easland@bis.org

Market Conduct Working Group

The Market Conduct Working Group (MCWG) met on 30 September. The primary focus of the meeting was to discuss key conduct-related developments in Members' respective jurisdictions, including specific trends and responses relating to the impact of Covid-19 on policyholders.

Members also progressed development of the draft member survey planned for early 2021. The objective of the survey is to help inform the scope of future work on the use of qualitative and quantitative indicators to assess conduct-related outcomes of insurers.

The next virtual meeting is planned for 7 October, to be held jointly with the GWG. The focus of that meeting will be to advance work on

the draft Issues Paper on Culture, which considers the role of insurer culture as a linkage between prudential and conduct risks.

Secretariat support: farzana.badat@bis.org

Resolution Working Group

The Resolution Working Group (ReWG) met on 9 and 10 September to discuss the development of the draft Application Paper on Resolution Powers and Planning. The ReWG agreed on a version to be shared with the Parent Committees for written comments. The Paper is planned to be published for public consultation in November 2020.

Secretariat support: hanne.vanvoorden@bis.org

Signatories Working Group

The Louisiana Department of Insurance and the Astana Financial Services Authority have joined the IAIS MMoU. The IAIS MMoU now has 75 signatories covering approximately 76% of the global written premium.

Secretariat support: yasuaki.ohara@bis.org

Standards Assessment Working Group

The Standards Assessment Working Group (SAWG) met on 8 and 24 September 2020. In the first meeting the SAWG:

- Discussed and agreed the way forward with regard to the work underway by the Holistic Framework Implementation Assessment (HF-IA) workstream to develop an approach for targeted jurisdictional assessments of the Holistic Framework supervisory material; and
- Finalised drafting of the medium to long term assessment strategy under the IAIS' CIF.

The results of these discussions were used as input for in the deliberations of the IAC and ExCo on these topics.

In the second meeting, the SAWG focussed on updates on the progress made for projects under the current assessment programme:

- The execution of the Baseline Assessment (BLA) of the Holistic Framework supervisory material;
- The Peer Review (PRP) of ICP 19, which focusses on Market Conduct;
- The current and future projects as part of the Member Assessment Program (MAP).

Finally, the SAWG agreed that the next PRP would be conducted on the thematic topic of supervisory processes, which covers ICP 9 (Supervisory Review and Reporting) and ICP 10 (Preventive Measures, Corrective Measures and Sanctions).

Secretariat support: rogier.derksen@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.

The A2ii taking precautionary measures related to Covid-19

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

Covid-19



Covid-19 Insurance Supervisory Response Tracker

We have a [special page](#) on our website dedicated to tracking worldwide supervisory responses, insurance news and learning resources (such as webinars).

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



A2ii-IAIS webinars

This year, due to the Covid-19 pandemic, the A2ii and the IAIS have held two exceptional webinar series: the series on the coronavirus (Covid-19) pandemic and implications for insurance supervisors (six webinars) and the pandemic risks webinar series (three webinars, two of which were open to all stakeholders). Some of the webinar presentations and recordings are available on our website under [past events](#) and on our [YouTube](#) channel.

Summaries of the webinars can be found on our [blog](#).

Recent Events

Inclusive Insurance Innovation Lab (iii-lab) Updates | July

July was a busy month for the [iii-lab](#) teams!

Rwanda team completes its first national workshop series | 14 July

“We have achieved it online despite the challenges!”, commented one team member at the end of the sixth session. Everyone agreed that it was an interesting process with enjoyable and informative sessions. However, technological difficulties such as difficult internet connection meant that some sessions had to be postponed. Luckily, this did not prevent the

team from engaging actively and being even more committed to the lab's objective.

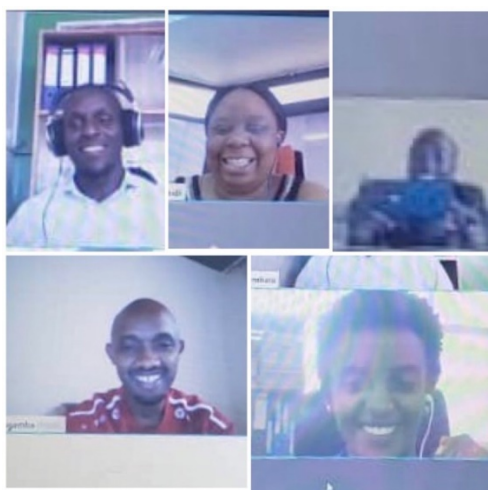
In the course of six online sessions, the Rwanda team analysed its inclusive insurance sector and decided to focus its work on the following main beneficiary groups: farmers' cooperatives & informal workers, eg. individuals with temporary non-registered work or informal business owners. Next, based on methods explained in the lab, the team will conduct learning journeys where they will interview selected individuals from these groups to learn more about their lives and insurance needs.

Rwandan team members said:

- “The lab pushed our thinking.”
- “It was eye opening to hear views from all stakeholders.”
- “We felt like were in person!”



Empathy map summarizing interview findings



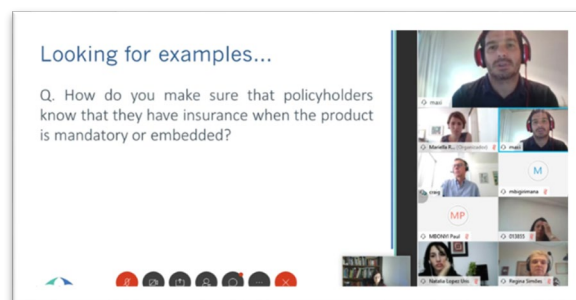
Some of the Rwandan team members

All teams meet for global thematic peer exchange | 21 July

Second, all teams met for a global thematic peer exchange supported by the International Labour

Organisation's (ILO's) Impact Insurance Facility, on 21 July.

Craig Churchill shared key success factors to effective business models in inclusive insurance and encouraged participants to share their own experiences on the topic. The session was a great success and a lively discussion showed that the teams are eager to find new and creative solutions to advance inclusive insurance in their countries.



Screenshot from the global thematic peer exchange

A2ii-IAIS pandemic risk webinar series | 13, 23, and 30 July



In the month of July the A2ii, in partnership with the IAIS, held a three-part special webinar series on pandemic risk. In an exceptional move, the first two in the series were public webinars open to all stakeholders whereas the third and final webinar was a closed-off session for supervisors only.

The [first webinar](#) held on 13th July focused on the **protection gap**. Through a moderated expert dialogue, participants gained insights from public sector organisations on initiatives underway to help Covid-19 recovery efforts as well as build resilience against future pandemics. Senior figures at the World Bank (Craig Thorburn), African Risk Capacity (Lesley Ndlovu), Asian Development Bank (Arup Chatterjee) and the United Nations Development Program (Jan Kellet) formed the expert panel.

The [second webinar](#) on 23rd July focused on **public-private partnerships**. During the webinar, we heard from the private sector about the impact of the current pandemic and their role in building greater resilience for the future through insurance solutions. Input was drawn from an expert panel consisting of Pool Re (Julian Enoizi), the Insurance Development Forum (Ekhosuehi Iyehen) and the Association of Bermuda Insurers and Reinsurers (John Huff).

The [third and final webinar](#) on 30th July was a **supervisory dialogue** that focused on the broader role of supervisors in bridging the pandemic risk protection gap. Speakers highlighted some of the existing risk-pooling schemes in place in their jurisdictions to protect against catastrophic risks and practices from these risk-pools, that can be emulated to address future pandemics. We heard from supervisors from FSCA-South Africa, NIC-Ghana, NAIC-USA and the former head of the Macedonian insurance authority.

Some of the recurring themes across the pandemic risk series were:

- Covid-19 has exposed existing vulnerabilities – the protection gap is not new but Covid-19 has brought it to the fore and highlighted the urgent need to address it.
- Systemic events like Covid-19 are too big for the private sector or public sector to bear alone and therefore there is a need for all stakeholders to work together to jointly develop solutions.
- Insurance needs to be better integrated into government and multilateral organisations' disaster recovery planning.
- Supervisors have a pivotal role to play in increasing consumer awareness and bringing stakeholders together to develop solutions to address the lack of insurance coverage for pandemic-related losses and risks.

Keep an eye on our website where a summary of the key outcomes from the whole pandemic risk series will be published on our [blog](#).

On our website, you can also watch the recordings of the public webinars from the [13 July on the protection gap](#) and from [23 July on public-private partnerships](#).

IFoA and FBD Roundtable on the Poverty Premium in the Insurance Sector | 16 July

The A2ii participated in a virtual roundtable held by the [Institute and Faculty of Actuaries](#) (IFoA) and [Fair By Design](#) (FBD) on the poverty premium in the insurance sector.

The poverty premium is the extra costs incurred by low income households when purchasing the same essential goods and services as higher income households. This can result in low income households being priced out and unable to purchase insurance. As a result, low income households are less likely to benefit from the protection against financial hardship that insurance offers.

The A2ii, along with other representatives from industry, consumer groups, and regulatory bodies, participated in a virtual roundtable discussion. The A2ii shared its perspective and knowledge on what fair outcomes for consumers means, as well as current supervisory developments on this topic.

During the course of the discussion, the participants discussed a fair insurance market and how it would look like for low income and vulnerable consumers. In addition, they deliberated on causes and solutions to the poverty premium in the insurance sector and identified areas for further research and action. The discussion contributed to a forthcoming [research and policy report](#) being created by the IFoA and FBD.

A2ii presentation to the IAIS Covid-19 group | 21 July

The IAIS continues to hold discussions on the impact of the Covid-19 pandemic on the global insurance sector and the IAIS activities. As part of this, the A2ii presented to the IAIS's Covid-19 group on the impact that the pandemic is having in emerging markets.

In particular, the A2ii focused on the varying regulatory responses and measures taken in response to the crisis. The A2ii highlighted the measures taken such as regulatory relief and temporary measures introduced to facilitate the distribution of insurance. The impact on the insurance sector was also briefly covered with the A2ii providing an overview of the challenges and potential opportunities that lie ahead.

Supervisors in the IAIS Covid-19 group were particularly interested in how the emerging markets were balancing the demands of financial stability and consumer protection as well as emerging risks such as cyber-attacks.

SUGESE 12th anniversary event: contribution of insurance to sustainable development | 7 August

On the occasion of the 12th anniversary event of the General Superintendence of Insurance of Costa Rican SUGESE, the A2ii joined a distinguished panel discussing the contribution of insurance to sustainable development. Following brief welcoming remarks from Superintendent **Tomas Soley, Butch Bacani** of the UN Environment Program Principles for Sustainable Insurance Initiative (UNEP PSI) set the scene highlighting the triple role that insurance plays (risk manager, underwriter and investor) in supporting sustainable development as well as the work of UNEP PSI.

Hannah Grant, A2ii, spoke next about the important role financial inclusion plays not just in SDG 1 ('no poverty') but meeting most of the SDG commitments. A presentation was also made by Grupo Sura on its work to look at the impact of the group on the SDGs. The webinar ended with a joint commitment from leaders across the financial services sector in Costa Rica to work together to meet the SDGs.

The SUGESE has made available the links to the [webinar](#) and the [presentations](#).

A2ii-ASSAL Webinar on Insurance for MSMEs: The protection gap exposed by Covid-19 | 27 August

The Access to Insurance Initiative (A2ii) and the Latin American Association of Insurance Supervisors (ASSAL) organised on 27 August a joint webinar on *Insurance for MSMEs: The protection gap exposed by Covid-19* which was attended by 85 participants, from 20 countries. **Gregor Sahler** (GIZ) and **Alejandra Díaz** (MiCRO) offered participants different approaches on the topic, followed by a case study presented by **Cristian Mora**, from the Superintendencia Financiera de Colombia. While this topic is central to all economies, it has become a key one since the crisis caused by the pandemic Covid-19.

For example, in Latin America, MSMEs generate 60% of jobs and account for 25% of the region's GDP. The webinar provided supervisors with a better understanding of the risks to which MSMEs are exposed and how insurance can help them develop resilience. Simultaneous interpretation into both Spanish and English was provided during the webinar. For more information, access the presentations on the A2ii website [here](#).

Risk-based capital regimes in emerging markets - A2ii-IAIS webinar | 17 September

Over the last two decades supervisors have been refining their solvency standards and gradually moving to more risk-based regimes. Much research has been carried out on specific regimes, in particular the US Risk-Based Capital (RBC) system and the European Solvency II. However, transitioning to a risk-based capital regime is taking place at a different pace across the globe and so far, less attention has been given to understanding the spectrum of regimes elsewhere.

The webinar included participation from supervisors who shared some of the challenges and lessons they have learned from implementing a risk-based capital regime in their jurisdictions. This Webinar is also in anticipation of an A2ii Landscape paper on variations in solvency requirements across Sub-Saharan Africa, Asia and the Caribbean.

This webinar was open to supervisors only.

IAIS-FSI-A2ii-AITRI/SARB virtual seminar on cybersecurity and data protection in the insurance sector – for supervisors from Asia and Africa | 25 September and 1 October

The virtual seminar explored the topics of cybersecurity and data protection in the insurance sector and consisted of a combination of online study as well as attendance of the two live webinars. The seminar is hosted by the IAIS, the Financial Stability Institute, the A2ii and the ASEAN Insurance Training and Research Institute (AITRI) for Asia and the South African Reserve Bank for Africa. See our [events page](#) for more information.

Upcoming Events

Inclusive Insurance Training Programme for Caribbean supervisors | 28 September – 8 October

This training will be delivered virtually and is aimed at middle-to-senior level supervisors from Regulatory Authorities across member countries of the Caribbean Regional Technical Assistance Centre (CARTAC) who are either currently involved in or may have future oversight of the regulation and supervision of inclusive insurance (microinsurance) products. The topic is “Advancing Financial Inclusion and Dealing with Climate Risks: Innovation and Proportionality in Insurance.” [Click here](#) for more information.

Sub-Saharan Africa Regional Dialogue on InsurTech: Catalysing Access to Financial Services following Covid-19 | 15 October

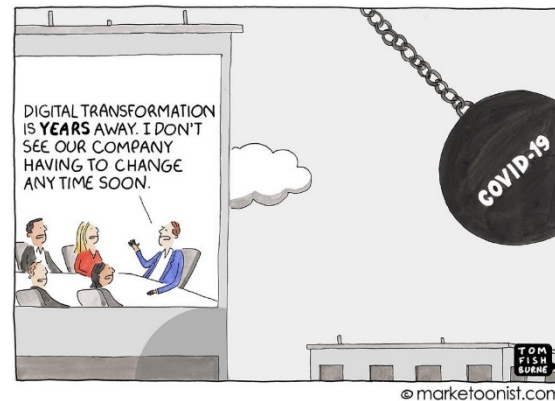
Technology is transforming global financial services. Across Africa, it has tremendous potential to address market challenges such as scale and customer experience. This offers opportunities for everyone, not least the consumer, as technology can help deepen access to financial services especially in light of the Covid-19 crisis. The global pandemic has far-reaching consequences for the financial sector in general, including the insurance sector.

This event is hosted by the A2ii, the United Kingdom’s Department for International Trade (DIT), FSD Africa, the IAIS and the UK-Nigeria Tech Hub. [Click here](#) for more information.

Blog

Switching between tabs: the virtual inclusive insurance innovation lab

by Mariella Regh, A2ii



To overcome the social distance in online workshops is hard, even with the right preconditions, such as engaging content and participants who are mostly well-adjusted to using digital tools. As Covid-19 brought the world to a standstill, we chose to reformat our Inclusive Insurance Innovation Lab (iii-lab) - initially envisaged as an 18-months programme of six in-person workshops – into a fully virtual programme and to make it work. [Continue reading...](#)

A throwback to 2019: old challenges of inclusive insurance remain

by Hannah Grant



To overcome the social distance in online workshops is hard, even with the right preconditions, such as engaging content and participants who are mostly well-adjusted to using digital tools. As Covid-19 brought the world to a standstill, we chose to reformat our Inclusive Insurance Innovation Lab (iii-lab) - initially envisaged as an 18-months programme of six in-person workshops – into a fully virtual programme and to make it work. [Continue reading...](#)
[Subscribe to our blog](#)

Publications

A2ii Annual Report 2019

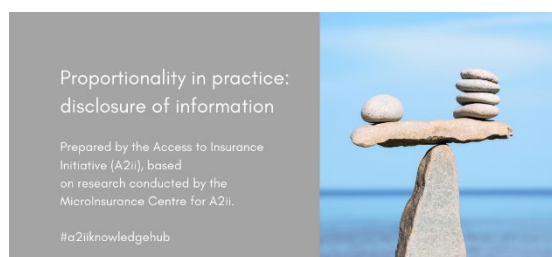
A2ii presents the special [Anniversary Edition of the A2ii Annual Report](#). A decade of successes can be attributed to our staff and partners' unwavering commitment, to our donors' continued support, and above all, to the insurance supervisors who have invested their time and expertise towards our shared goal of responsible and inclusive insurance for all. Read the [A2ii 2019 Anniversary Annual Report](#) for a sense of where we left off in 2019 and A2ii's role in that, and remind ourselves how to get back on track to close the protection gap as we move ahead into the *new normal*.

French version of the Summary of the 15th, 16th, and 17th Consultative Forums in 2019

In 2019, three dialogue forums were jointly organised in Latin America, Africa, and Asia by the Access to Insurance Initiative (A2ii), the International Association of Insurance Supervisors (IAIS), Microinsurance Network (MiN) and InsuResilience Global Partnership, supported by local partners. The topic was "Climate and disaster risk: building resilience, bridging the protection gap". The [French version](#) of the report is now available on our Knowledge Hub.

Knowledge Hub Highlights

Proportionality in practice: disclosure of information



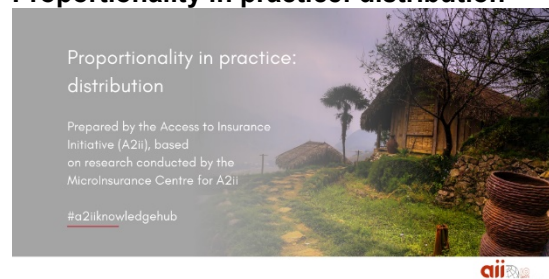
Proportionate regulations can encourage the industry to offer inclusive insurance in two main ways. The first is by lowering the barriers to entry. The second is by reducing the ongoing cost of doing business. In respect of disclosure, this can be done by allowing

simplified, customised, or electronic disclosure of information, or tailoring requirements for agents to provide verbal product advice, for example. These measures enable insurers to reduce transaction and operational cost, as the traditional practice of printing and delivering extensive documents is costly.

The Proportionality in Practice case studies are intended to provide practical examples and generate lessons from the implementation experience of other supervisors who have implemented or begun the process of implementing proportionate regulations towards increasing access to insurance. This paper looks at proportionality in regulations relating to the disclosure of information to the customer by drawing on the experiences of Brazil, Pakistan, Peru and El Salvador.

Read Proportionality in practice: disclosure of information in [English](#), [Spanish](#) or [French](#). Share this [#KnowledgeHubHighlight](#) on [Twitter](#) or [LinkedIn](#).

Proportionality in practice: distribution



The A2ii Proportionality in practice case studies aim to provide practical guidance on how regulations have been implemented in a proportionate manner in order to achieve access to insurance and other insurance development goals, while being in line with the Insurance Core Principles. It is an effort to systematically collate practical examples from supervisors who have implemented or begun the process of implementing such proportionate regulations, and generate lessons from their experience.

[Proportionality in practice: distribution](#) looks at proportionality in regulations relating to distribution by drawing on the experiences of Ghana, Mexico and the Philippines. Proportionate regulation of distribution

aspects can encourage the industry to offer inclusive insurance in two main ways. The first is by reducing the barriers to entry, such as via lower, more flexible or more tailored licensing requirements that allow the relevant types of distribution channels to operate. The second is by lowering the ongoing cost of doing business, and this can be done via adapting supervisory requirements such as reporting or minimum training requirements.

Read the Proportionality in practice: distribution in [English](#), [Spanish](#) or [French](#).

Share this #KnowledgeHubHighlight on Twitter or LinkedIn.

[Click here to](#) view the web version of A2ii newsletters.

Financial Stability Institute

Financial Stability Institute



BANK FOR INTERNATIONAL SETTLEMENTS

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

FSI Insights

The FSI, in collaboration with the International Monetary Fund, recently published [FSI Insights no 26 on accounting standards and insurer solvency assessment](#) (also available as IMF Working Paper 20/146). The paper describes the range of regulatory approaches on the extent to which accounting standards, particularly IFRS 17 Insurance Contracts, will be used for regulatory solvency assessment. It is based on the results of a survey of 20 insurance supervisors.

FSI Connect

The FSI recently published a new suite of tutorials on the Insurance Capital Standard (ICS) Standard Method and an Executive Summary on ICS Market Risk Charges. The Executive Summary can be accessed on the BIS [website](#) as well as on [FSI Connect](#).

FSI Events

The IAIS, FSI and A2ii, in collaboration with the South African Reserve Bank and the ASEAN Insurance Training and Research Institute organised two virtual seminars on cyber security and data protection in the insurance sector for supervisors in Sub-saharan Africa and Asia-Pacific, respectively. The seminars consisted of two webinars that were held on 25 September and 1 October.

The third AFIR-FSI-IAIS Asia-Pacific virtual high-level meeting on insurance supervision will be held on 1 December 2020, 09:00–11:00 CET.

About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors 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 the maintenance of 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 2020. All rights reserved. Brief excerpts may be reproduced or translated provided the source is stated.