

Newsletter

Summer 2019

Issue 89



From the Secretary General

The summer months in Basel, between Committee meetings, provide a welcome opportunity to pause and reflect on all that has been achieved and what is to come. The IAIS has been on an incredible journey in recent years, to the point that we are on the cusp of completing some important components of our post-crisis reforms, while at the same time embarking on a new era of supervision in a changed world of digital technology and other fundamental societal shifts.



Much of this – both past successes and future ambitions – rely on strong stakeholder engagement. At the NAIC National Meeting in New York this month I was able to talk to this point during the IAIS Q&A session. We have built a constructive and trusted relationship with our external stakeholders, which has made a real difference to the quality of our outcomes.

Following our recent Executive Committee discussions in Buenos Aires, there is a fresh commitment to further strengthen these stakeholder engagement efforts. Future plans include: extending the length of our public consultation period wherever possible; expanding the participation of new stakeholders (such as FinTech practitioners) in our milestone events; organising additional subject matter-specific workshops on emerging(ed) risks; expanding our external representation in organisations relevant to our new strategic themes; extending our efforts to actively seek input from consumer groups; reaching out to academics to add to our global dialogues; and holding roundtable discussions with Chief Risk Officers (CROs), investors and rating agencies on sector developments and regulatory reforms.

Jonathan Dixon, Secretary General

In this Issue

Did you know	1
In Focus	2
News Updates	2
Stakeholder Engagement	3
Meetings and Events	4
Training and Seminars	5
Appointments of Chairs and Vice-Chairs	6
Committee and Subcommittee Activities	6
A2ii Report	8
FSI Report	12

Did You Know?

Did you know that the IAIS Newsletter averages nearly 1000 downloads per month?



Annual Conference Registration Now Open for IAIS Members and Stakeholders

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.

Please click [here](#) to register.



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 publishes its 2018 Year in Review and looks toward implementation of its new Strategic Plan**

In 2018, the IAIS moved closer to finalising its post-crisis reform agenda, advancing the development of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), including the Insurance Capital Standard (ICS), and the

holistic framework for the assessment and mitigation of systemic risk in the insurance sector. The IAIS also began articulating a new strategic direction marked by a pivot to a greater focus on emerging risks and trends and the implementation of agreed standards.

The IAIS is a growing and vibrant Association with a culture of inclusiveness, cooperation and transparency in pursuit of its shared mission of effective and globally consistent insurance supervision. In 2018, we added four new Members, an increase of 28 since 2013.

The IAIS also continued to grow in credibility and recognition – for example, the Association’s work on developing a holistic framework for the mitigation of systemic risk in the insurance sector was unanimously commended by the Financial Stability Board (FSB), while its paper on supervisory approaches to climate risk was ground breaking among peer standing-setting bodies.

Looking ahead: the new strategic direction

Finalising our current commitments to the post-crisis reform agenda remains key. At the same time, the Strategic Plan calls for a significant pivot to emerging and accelerating trends, such as climate risk, cybersecurity, increased use of digital technology, and sustainable development – as well as an increased focus on assessing and supporting implementation of agreed global standards among our Members.

As outlined in the Strategic Plan, the future period will also likely see a more integrated approach to prudential and market conduct work streams, reflecting that many of the risks to policyholder protection emerging from the trends and developments, such as digital innovation, relate to the fair treatment of customers.

The IAIS’ role is to be forward-looking and help shape proactive supervisory responses to the changing landscape. The IAIS will focus more on providing guidance on effective supervisory practices than adopting new standards.

The IAIS’ 2020–2024 Strategic Plan incorporates strategies to respond to these trends and developments in ways that best add value to our Members and leverage the potential for effective collaboration with partner organisations, other standard setting bodies and industry stakeholders.

The 2018 Year in Review can be found on the IAIS website under the [following link](#).

The 2020–2024 Strategic Plan can be found on the IAIS website under the [following link](#).

News Updates

Publication of 2019 Public Roadmap

This Public Roadmap serves to inform stakeholders of the IAIS' key activities and to facilitate greater awareness and engagement in these activities.

The IAIS' key activities for 2019 can be categorised thematically as follows: (1) standard setting; (2) financial stability; (3) implementation and assessment; and (4) assessing and responding to emerging(ed) risks and opportunities.

The 2019 Public Roadmap can be found on the IAIS website under the [following link](#).

Publication of 2018 GIMAR

In July, the IAIS released its sixth edition of the Global Insurance Market Report (GIMAR) discussing (re)insurance market developments as well as several topics of interest.

The (re)insurance market remained stable during 2018, showing growth potential albeit operating in a challenging macroeconomic environment characterised by rising global debt levels, rising inflation and low interest rates. Non-life (re)insurers continued to operate in soft market conditions, while life (re)insurers remain exposed to vulnerabilities stemming from prolonged low interest rates and potential disruption caused by an abrupt rate rise.

The 2018 GIMAR discusses how US life insurers use derivatives for hedging purposes and how insurers tend to favour their home jurisdictions as investment destinations. In addition, the report looks at the liquidity of insurance asset portfolios as well as the macroprudential tools supervisors are employing to test for system-wide shocks. Lastly, the report discusses the benefits, risks and challenges of increased digitalisation of the global insurance sector.

The 2018 GIMAR also presents the results of the 2018 Global Reinsurance Market Survey (GRMS), which are computed using data provided by 47 reinsurers in nine jurisdictions in North America, Europe and Asia.

The 2018 GIMAR can be found on the IAIS website under the [following link](#).

Stakeholder Engagement

Public Consultation Underway on ICP and ComFrame Revisions Related to the Holistic Framework for Systemic Risk as well as other Supervisory Material

The consultation on revisions to the ICPs and ComFrame related to the holistic framework for systemic risk in the insurance sector is underway. 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](#).

The IAIS has also issued a public consultation on the following IAIS supervisory material:

- 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. For more information or to provide feedback, please click [here](#).

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](#).

Meetings and Events

Upcoming IAIS Meetings: September

All of the following IAIS meetings will be held in Basel unless otherwise noted. Members should visit the [IAIS Members Extranet](#) 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
17-18 September	Governance Working Group (Cape Town)
17 September (PM)	Macroprudential Committee
18 September	Policy Development Committee
19 September (AM)	ICS Task Force
19 (PM) – 20 September (AM)	Executive Committee
19-20 September	Insurance Groups Working Group (Cape Town)
23-24 September	Accounting and Auditing Working Group (Copenhagen)
24-25 September	Market Conduct Working Group (Kansas City)

Stakeholder Meetings

On 4 September at 14:00 CEST (Basel time), the IAIS will host a stakeholder session on the public field testing package that was released on 25 June 2019. The material can be found on the IAIS website [here](#). After a brief introduction, stakeholders will be invited to provide feedback on the field testing specifications.

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

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

Training and Seminars

Regional Seminar for Insurance Supervisors in Central and Eastern Europe, and Central Asia and Transcaucasia on Group Supervision, Conduct of Business & Digitalization, 26-27 September 2019, Ohrid, Republic of North Macedonia

The Insurance Supervision Agency of the Republic of North Macedonia is hosting a Regional Seminar for Insurance Supervisors on 26-27 September 2019, in the city of Ohrid, Republic of North Macedonia.

The event will bring together officials and experts on insurance and insurance supervision from Central and Eastern Europe, and Central Asia and Transcaucasia. Presentations and interactive discussions will focus on group supervision, conduct of business, digitalization and experience from the region.

Committee and Subcommittee Activities

Committee Activities

Appointments of Chairs and Vice Chairs

The Executive Committee recently appointed Gabriel Almeida Caldas as the IAIS representative on the International Financial Reporting Standards Advisory Council.

Executive Committee

Gorazd Čibej, Director of the Insurance Supervision Agency of Slovenia, replaced Mojca Piskurić as an Executive Committee member representing the Central, Eastern Europe and Transcaucasia (CEET) region.

The Executive Committee approved the programme for the 2019 Annual Conference in Abu Dhabi, themed “Supervision in a Digital Era”.

Secretariat Support: malene.duncan@bis.org

Subcommittee Activities

Accounting and Auditing Working Group

The Accounting and Auditing Working Group (AAWG) held a Conference Call on 2 August to obtain Stakeholder views on the IASB’s Exposure Draft *Amendments to IFRS 17*. The AAWG will consider Stakeholder comments as it drafts the IAIS comment letter to the IASB during August.

The AAWG next meets on 23-24 September in Copenhagen and expects to discuss the IASB agenda, audit quality issues and jurisdictional implementation activities of IFRS 17, Monitoring Group developments, and will hold a Stakeholder call-in session.

Secretariat Support: jay.muska@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

Microinsurance Network Member Meeting (JMM) 8–10 July, Luxemburg

At the annual member meeting of the Microinsurance Network the A2ii's [Anke Green](#) organized a workshop on “Design Thinking for Inclusive Insurance”



On the panel on partnerships, [Hannah Grant](#) presented the history and work of the A2ii.

Following the JMM, the A2ii participated in the steering committee meeting for the International Microinsurance Conference (IMC), during which sessions for the IMC 2019 in Bangladesh were selected

A2ii - IAIS Consultation Call on Stimulating Demand: The Supervisor's role in building Insurance Awareness, 18 July

On this consultation call, participants defined and explored key issues regarding building insurance awareness and the role of the



supervisor, the need to stimulate demand, and factors that hinder the take-up of insurance as a risk management tool, especially among the unserved and underserved population. Participants discussed aspects of financial education and the line between financial education, marketing, and compliance of disclosure obligations by insurers and intermediaries. Supervisors on the call were presented concrete recommendations on how to promote insurance awareness, for instance by engaging with other entities such as government ministries, aggregators that have the potential to unlock demand and collaborating with stakeholders in the public and private sector.

Andrea Camargo, the technical expert of the A2ii and director of Inspowering, delivered an introductory presentation across all the four calls. Andrea was joined by Randip Singh from the Insurance Regulatory and Development Authority of India, Thomas Chang, the Deputy Director-General of the Insurance Bureau of Financial Services Commission of Taiwan and Dr. Isaac Agyapong, Technical Advisor, Programme for Sustainable Economic Development (PSED), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Ghana who shared current practices and experiences from their jurisdictions during the English calls.

For the Spanish call, Carlos Francisco Izaguirre Castro, the Superintendent of Banca y Seguros de Perú (SBS, Peru) and García Schilling Daniel Ernesto, the Intendente of Comisión para el Mercado Financiero (CMF, Chile)

shared experiences from their countries. Some of the key aspects highlighted during the discussion were:

- examples of insurance awareness programmes in their countries and the key success factors of such programmes;
- the entities that are involved in the delivery of insurance awareness programmes, collaboration with the industry to promote insurance awareness and consumer protection; and
- ensuring that public-private sector collaboration is effective as well as the tools that provide for consumer awareness of the conditions of the products they purchase and their rights.

For supervisors who couldn't attend this call, the presentations of this call is available [here](#). Keep an eye out for the consultation call reports that will be posted on the A2ii website [here](#), where a summary report of the call will be published. Supervisors can also direct questions on this topic to consultation.call@a2ii.org.

ILO Impact Insurance Academy 8–12 July, Turin, Italy



The Access to Insurance Initiative hosted an elective on “Regulatory and supervisory approaches to inclusive insurance: Supporting the development of responsible initiatives” at the Impact Insurance Academy from 8 to 12 July.

Thirteen representatives from insurance supervisors, insurers, development agencies and consultancies attended the A2ii's session

on supervisory approaches to inclusive insurance. The sessions explored how insurance supervisors can strike a balance between protecting consumers and regulation/supervision which encourages innovation and encourages insurance companies to serve low income consumers. Emerging international best practices were presented whilst emphasis was placed on the importance of tailoring supervisory approaches to the local context using A2ii [Toolkit 1](#) and [Toolkit 2](#). The importance of data gathering and analysis was highlighted. Also, time was spent discussing some of the challenges and trends confronting insurance supervisors including index insurance, mobile insurance and the use of innovation hubs and sandboxes to support insurance market development.

The Impact Insurance Academy was organised by the ILO Impact Insurance Facility and was held at the International Training Centre of the ILO in Turin Italy.

Africa 3.0 – Using Tech to Seal the Insurance Gap, 15–16 July 2019, Nairobi, Kenya

The A2ii took part in Africa 3.0, an InsurTech conference held in Nairobi, Kenya. Organised by Market Minds, the conference drew together participants from tech startups, inclusive insurance practitioners, regulators and development organisations. On the first day, startups from the region exchanged innovative tech-driven solutions around health, agriculture and insurance.



On the second day, the A2ii spoke on a panel on “How can regulators work more creatively with the InsurTech ecosystem”. The A2ii shared

the range of different tools that insurance regulators currently deploy in responding to technological innovation. The panel was moderated by Cenfri, while panellists comprised the A2ii, Bluewave Insurance and the Insurance Regulatory Authority of Kenya.

The A2ii, Cenfri and Financial Sector Deepening Africa also co-hosted a breakout session discussing regulatory barriers to innovation. Among others, a key question that emerged was on how regulators and innovators can communicate more effectively: for innovators to better navigate regulations and regulatory processes, and for regulators to better understand their business models.

Recent Publications

A2ii's top 3 most read reports January - June 2019:

[InsurTech - Rising to the Regulatory Challenge, a summary of A2ii-IAIS-MiN Consultative Forums 2018 for Asia, Africa and Latin America](#)
[InsurTech - Rising to the Regulatory Challenge Report](#)

[Regulating for Responsible Data Innovation: the Role of Insurance Regulators in Dealing with Risks Relating to Consumer Data Protection and Privacy](#)

[Using Key Performance Indicators \(KPIs\) in Inclusive Insurance Supervision](#)

Upcoming Events

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

The Training is jointly organised by the International Actuarial Association, the International Association of Insurance Supervisors, the Access to Insurance Initiative and the ASEAN Insurance Training and Research Institute, hosted by OJK Indonesia and funded by the UK Department for International Development.

This is the 3rd of a new series of trainings jointly developed by the A2ii, IAIS and IAA. The first two were held earlier this year for Sub Saharan Africa and the Caribbean regions, in Mauritius and Trinidad & Tobago respectively. The training aims at strengthening the understanding and application of the actuarial concepts and tools needed to support effective insurance supervision and regulation. [Read more](#)

5th Eastern & Southern Africa Regional Microinsurance Conference, 13–15 August, Zanzibar

This conference, organised by coalition of different stakeholders including the A2ii, will highlight different inclusive insurance business models that are making access to low-income market segments in Africa possible. Representatives from insurance and reinsurance companies, brokers, distribution channels, international organisations, NGOs, development-aid agencies, policymakers, regulators and supervisors in Africa are expected to attend. The A2ii is organising and moderating a panel on inclusive insurance regulation that will host several insurance supervisors from Eastern and Southern Africa as well as an industry representative.

To register to attend, or for more information on the event, please click [here](#).

A2ii 10-year Anniversary Conference 2–3 September 2019, Frankfurt, Germany

2019 marks the 10th anniversary since the founding of the Access to Insurance Initiative. On 2–3 September, the A2ii will be marking 10 years of working with insurance supervisors to promote access to responsible, inclusive insurance for all with a conference in Frankfurt, Germany. The conference will bring together insurance supervisors, experts on inclusive insurance and development practitioners from around the world to reflect on developments in inclusive insurance regulation over the past decade and to discuss upcoming trends, opportunities and challenges for the future. It

will be split into two parts, a high-level forum on 2 September followed by an expert symposium on 3 September. For a copy of the agenda, please follow this link [here](#).

The A2ii-10 year anniversary conference is an invitation-only event. For additional information or questions regarding the conference, please feel free to get in touch with Carolyn Barsulai (carolyn.barsulai@a2ii.org) or Anke Green (anke.green@a2ii.org).

Financial Stability Institute



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

Recent Events

Policy implementation meeting on insurance accounting standards and prudential implications, 9–10 July 2019, Basel

The meeting was jointly organised by the FSI and the International Monetary Fund to discuss recent accounting developments, focusing on IFRS 17 Insurance Contracts and its prudential implications. Darrel Scott, Board Member of the International Accounting Standards Board delivered a keynote address on “20 years journey towards IFRS 17”. There were five panels that covered the proposed amendments to IFRS 17, implementation challenges, role of international bodies including the IAIS and the prudential use of accounting standards. The FSI and the IMF jointly presented preliminary findings from its work on the use of accounting standards for solvency purposes that will be published later this year. The meeting was attended by 48 participants from 30 jurisdictions.

Recent Publications

FSI Connect

The following tutorials were released on FSI Connect in August:

- New suite of tutorials on digital technology in inclusive insurance; and
- New video on solvency control levels.

Upcoming Events

Regional Seminar for Insurance Supervisors in Sub-Saharan Africa, 20–22 August 2019, Cape Town

This seminar will provide participants with the opportunity to share approaches to regulating and supervising corporate governance systems of insurers within their markets, offering the possibility to learn from each other's experiences. Some of the topics that will be covered are Common Framework (ComFrame) for the Supervision of Internationally Active Insurance Groups (IAIG), Insurance Core Principles on corporate governance, risk management and internal controls, as well as the challenges that new technologies pose for corporate governance and risk management.

Sixth FSI-IAIS Regulatory and Supervisory Training Online (FIRST ONE) online course, 21 August–26 November 2019

This year's FIRST ONE programme started on 21 August with over 190 participants from 48 jurisdictions. An enhancement to this year's programme is the introduction of weekly questions to participants that will cover the tutorials and webinar that they go through each week. The aim of this is to enhance interactivity and engagement with the participants throughout the course.

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.