

# Year in Review

# 2021

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Activities from  
January to December



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# Message from the Secretary General



**Jonathan Dixon**  
IAIS Secretary General

Amid the challenges of the Covid-19 pandemic, 2021 served as an example of how we have come together – Secretariat staff, IAIS members and our many stakeholders – to deliver excellent work with efficiency, solidarity and creativity, making significant progress on our Strategic Plan and delivering on our dual mission of policyholder protection and contributing to the maintenance of global financial stability.

The real benefit of global cooperation and the particular importance of coordinated supervisory responses during times of crisis has come more sharply into focus as a result of the pandemic. The great effort we put into strengthening our global community and global framework of standards over the past years has paid off, serving us well in this crisis.

In 2021, we continued the important work begun in 2020, when the IAIS quickly moved to focus on assessing the impact of the pandemic and the risks it poses to the global insurance sector. The IAIS 2021 Global Insurance Market Report (GIMAR) outlined the findings from the IAIS' targeted assessment of the impact of Covid-19 on the global insurance sector while also putting a broader focus on potential systemic risk. The report highlights how, supported by both unprecedented fiscal and monetary stimuli and

supervisory responses, the insurance industry has remained both financially and operationally resilient to the shocks triggered by Covid-19.

Financial stability is a necessary condition for recovery, but it alone is not sufficient. Challenges faced, and adjustments implemented, during the crisis are set to shape the future of insurance supervision. To this end, the IAIS established an Operational Resilience Task Force, providing an important forum for supervisors to share information on operational resilience initiatives and developments.

To capture the lessons learnt during the Covid-19 crisis, critical to future-proofing insurance supervision, the IAIS Secretariat and the Financial Stability Institute (FSI) jointly developed a note – Redefining insurance supervision for the new normal – which examines challenges and opportunities faced by insurance supervisors as they adapt to an increasingly virtual working environment and accelerated digitalisation demands.

As we became more accustomed to our new ways of working, we were able to direct more focus at looking ahead to consider, from a supervisory perspective, new and accelerating trends impacting the insurance sector. In particular, we blazed a path amongst

standard-setting bodies on issues of climate change. The IAIS continued to demonstrate its leadership on this topic by delivering a seminal Application Paper on the Supervision of Climate-related Risks in the Insurance Sector; a GIMAR deep-dive into the impact of climate change on insurers' investment exposures and a clear commitment ahead of COP26 on how we are going to further amplify our efforts in this area through our new Climate Risk Steering Group. On page 28, you will see a graphic that illustrates the extent of our work in this area. In addition, for the first time we report on the progress of the IAIS' own Environmental Policy on page 45.

On the operations side, we have also continued to make great strides in enhancing the Secretariat's efficiency and capacity through 2021.

The Secretariat management team experienced a renewal through appointments, portfolio reallocations and new positions, further strengthening the execution of the Association's work. It is a sign of success that we were able to draw from a rich pool of talent with deep knowledge of the insurance sector as we grew the Secretariat team over the past year. This will be of great benefit as we position the IAIS for the next exciting chapter, in line with the pivot towards enhanced risk assessment, supporting effective supervisory practices in response to accelerating trends and robust implementation assessment, as outlined in our Strategic Plan and work programme (Roadmap) for the 2022-2023 period.

Over the past year, the IAIS Secretariat and leadership team elevated our already substantial engagement with a broad set of members and stakeholders at conferences, workshops and bilateral meetings. These engagements are a hugely important aspect of our work and, due to the virtual nature of the 2021 office

setting, we were able to multiply our usual outreach. The events team often worked on parallel tracks – planning for both virtual and in-person meetings, due to the uncertainty of the pandemic. Thanks to the learnings from 2020, our virtual Global Seminar and Annual Conference in 2021 attracted the highest ever number of registrants and provided an opportunity to discuss key learnings from the crisis as well as important themes at the core of our Roadmap.

Finally, in 2021 we started work on the IAIS brand refresh and upgraded website, which were launched in early 2022. The modernised brand more effectively conveys the IAIS' organisational identity, mission and values with dynamic imagery that differentiates our unique role as the global standard setter for insurance supervision. The timing of our brand refresh is significant: it is an appropriate signal that our Association remains vibrant, inclusive and collaborative – coming at a time when issues of risk management and the role of insurance are taking on more prominence than ever as we continue to be confronted with global challenges.

Through 2021, connections amongst our members and stakeholders remained strong and we continued to grow as an Association. We have delivered on our mission effectively, keeping up momentum on key projects and activities while embracing innovation and using virtual tools to increase our efficiency and global reach. Thank you to our members, stakeholders, the Executive Committee and the Secretariat. I look forward to a very exciting and meaningful time ahead for our Association.



Jonathan Dixon

**“Through 2021, connections amongst our members and stakeholders remained strong and we continued to grow as an Association.”**

# Report from the Chair of the Executive Committee



**Victoria (Vicky) Saporta**  
Chair, IAIS Executive Committee

The Covid-19 pandemic has dominated the past two years, prompting unprecedented health, social and economic crises for individuals and society as a whole. While, in some ways, we have grown accustomed to the impact of the Covid-19 pandemic on our daily lives, it continued to affect our members and the Association throughout 2021. We have learned from the challenges and, as numerous examples in this IAIS Year in Review 2021 show, our organisation has been able to fulfil its mandate and prepare for the challenges on the horizon.

The insurance sector now, more than ever, is being called upon to be front and centre in helping to build a more resilient and sustainable future. This comes at a time when both insurers and supervisors look to be more innovative and agile in how they operate. The IAIS is meeting these challenges head-on, building upon our already-strong foundation to achieve the IAIS' strategic objectives over the next few years with cooperation and collaboration amongst our members and stakeholders.

## Early lessons from Covid-19

A key lesson of the Covid-19 crisis has been the tangible benefits of collaboration and cooperation between insurance supervisors globally. The IAIS had (and continues to have) a critical role in facilitating the exchange of information across jurisdictions, helping deepen the understanding of the impact of the pandemic and encouraging cohesion amongst insurance supervisory approaches in responding to the crisis.

The social capital built up through our commitment to productive dialogue, coupled with a robust toolbox of recently adopted supervisory standards and macroprudential surveillance mechanisms, meant that we were well-positioned to assess the global impact of the pandemic and help our members address it.

At the onset of the pandemic, we repurposed our macroprudential surveillance framework, the Global Monitoring Exercise (GME), to assess potential insurance sector vulnerabilities arising from the impact of Covid-19. The GME has provided an invaluable basis for the evidence-based coordination of supervisory measures at the global level. To help our members address the impact of the pandemic, in 2020, we created a database of measures taken by supervisors in response to Covid-19. This database continued through 2021 to help inform supervisory decisions and support a better understanding of the impact of Covid-19 on the global insurance sector. Additionally, through our implementation partner, the Access to Insurance Initiative (A2ii), we put together a list of country responses, resources and news specific to emerging markets and developing economies.

To aid members as they continue to face the challenges of supervision in a more digitalised world, we published a report with the FSI, on redefining insurance supervision for the new normal. The report found that most supervisors have viewed the shift to remote supervision as yielding considerable efficiency gains and enabling more nimble and frequent supervisory engagements with insurers. However, it also recognises that remote supervision cannot entirely replace on-site presence. Instead, supervisors may need to adopt an agile hybrid approach that appropriately balances the efficiencies of remote supervision with critical non-tangible supervisory insights that are better obtained through in-person interaction with insurers.

## Post-crisis reforms

The Insurance Capital Standard (ICS) marked an important milestone in 2021 with the completion of the first year of the five-year monitoring period and the launch of the second year of monitoring. Participation and engagement from insurance groups worldwide remained strong, and we received valuable feedback from supervisory college discussions of the ICS. As a result of the pandemic, we gained valuable information about the performance of the ICS in a real-world stress

event. In parallel, progress continues to be made on the comparability assessment project – an initiative that will ascertain whether the Aggregation Method (AM) being developed by the United States provides comparable outcomes to the ICS.

The Holistic Framework for the assessment and mitigation of systemic risk in the global insurance sector also entered its second year of implementation. The comprehensive and consistent implementation of the Holistic Framework will be key to its success. To support members in implementing the Holistic Framework supervisory material, we finalised several Application Papers to aid the understanding and implementation of the new and enhanced Insurance Core Principle (ICP) and ComFrame standards. We also made strides in the assessment of implementation of the Holistic Framework supervisory material, through the Baseline Assessment (BLA) and the more intensive Targeted Jurisdictional Assessments (TJA).

In October 2021, we provided an update to the Financial Stability Board, which welcomed the good progress on the implementation of the Holistic Framework ahead of the decision that will be taken at the end of 2022 on whether to discontinue or re-establish the annual identification of global systemically important insurers (G-SIIs).

“The social capital built up through our commitment to productive dialogue, coupled with a robust toolbox of standards and monitoring mechanisms, meant that we were well-positioned to assess the global impact of the pandemic and help our members address it.”

## Risk assessment and financial stability

In 2020, the GME demonstrated its value and versatility as a global platform for monitoring risks as we were able to quickly adapt it to assess potential vulnerabilities arising from the impact of Covid-19. In 2021, we updated the targeted assessment based on year-end 2020 data. The data showed that insurers remained operationally and financially resilient in the face of significant market movements and disrupted economic activity. In addition, 2021 saw the completion of the first full GME focused on emerging trends and risks and potential systemic risk, covering two years of data. Based on the GME analysis, the IAIS held collective discussions on a defined scope of individual insurers identified through the analysis and three sector-wide macroprudential themes: (1) the low yield environment and the related trend of increased private equity ownership of insurers, (2) increasing credit risk and (3) heightened cyber risk.

“We continue to be grateful for the work of our key implementation partners, the A2ii, FSI and Toronto Centre, as they support our members in the implementation of IAIS standards through training, peer exchange platforms and implementation assessment exercises.”

## Implementation assessment and capacity building

While agreeing global standards is an important element of IAIS work, that alone is not sufficient. Ensuring effective implementation is critical to successfully achieving our mission. With our pivot towards a greater focus on implementation activities, we have reinforced our programme of support to help insurance supervisors understand and implement our standards, gauge progress in the observance of our standards, and target supervisory capacity building initiatives. Highlights include:

- The Aggregate Report on the Peer Review Process for ICP 19 (Conduct of Business), which showed that overall the observance rate for ICP 19 has increased since the 2014 assessment;
- The publication of the BLA, which showed good progress amongst the 26 participating jurisdictions in implementing the Holistic Framework supervisory material;
- The launch of TJAs in ten jurisdictions, covering major global insurance markets and featuring a more in-depth verification of supervisory practices than the BLA; and
- The launch of the IAIS Financial Inclusion Forum and Retirement Income and Pensions Forum.

We continue to be grateful for the work of our key implementation partners, the A2ii, FSI and Toronto Centre, as they support our members in the implementation of IAIS standards through training, peer exchange platforms and implementation assessment exercises.

## Focus on key trends

The IAIS' Strategic Plan 2020-2024 strongly focuses on supporting our members as they face emerging and accelerating trends across prudential, market conduct and financial stability pillars of our supervisory objectives. These include climate risk, technological innovation, cyber risk, conduct and culture and financial inclusion.

In 2021, a particular emphasis was given to understanding and taking action against climate risks. Climate change constitutes a critical challenge to our planet and our societies; as such, it will fundamentally impact the insurance sector in all aspects of its business – both underwriting and investment – for decades to come. The IAIS is committed to accompanying its members in addressing that long-term challenge. Already a pioneer amongst standard setters, we undertook work on a large scale: from collecting data to quantify the potential impact of climate risks on the insurance sector (the 2021 GIMAR special topic edition is a first and important step in that direction) to reviewing and analysing our standards to identify potential gaps on climate risk and how to manage them. To further accelerate this effort, we created the Climate Risk Steering Group to take forward the IAIS' work on climate change.

This year, I am proud that the IAIS has recognised the importance of diversity, equity and inclusion (DE&I) considerations to the objectives of insurance supervision and consequently to the Association's mission. DE&I touches on several key strategic themes identified in our Strategic Plan and consequently our work programme, including what DE&I means for insurers in terms of governance, business models and fair treatment of customers. DE&I considerations are also particularly relevant to conduct and culture, and to financial inclusion and sustainable economic development. We are committed to supporting insurance supervisors' and the insurance sector's efforts to consider further and address DE&I issues.

The IAIS, in 2021, also put increasing efforts and resources behind the other key themes: technological innovation, cyber risk, conduct and culture and the challenges of financial inclusion. Through its FinTech

Forum, the IAIS continued its targeted surveillance of developments in technological innovation, while the Operational Resilience Task Force has been preparing guidance on aspects of operational resilience most relevant to the insurance sector. Both groups are preparing to publish papers on their findings in 2022. We have continued our focus on consumer outcomes, completing work on key indicators of market conduct risk, which will also be published in 2022. With respect to our financial inclusion and sustainable development theme, in addition to our work to date with the A2ii on the protection gap for natural catastrophes, we have progressed work on the pandemic risk protection gap, completing a stocktake of initiatives underway in various regions.

This summary includes just a sampling of the tremendous amount of work the IAIS has accomplished this year in supporting supervisors to address key trends facing the insurance sector. The activities are described in full in the chapter on Sharing supervisory practices and issues – please have a look.

## A resilient supervisory community

We have progressed through 2021 with continuity and intensity of focus, and with excellent cooperation and collaboration across our membership and engagement with our many stakeholders. While we have not put the pandemic behind us, I am pleased to say that as an Association, we have remained resilient and focused on our core mission of protecting policyholders and maintaining global financial stability. At the same time, we have gained strength and experience to face new global challenges that may come our way.

I would like to thank our members and stakeholders for their commitment and contributions over the past year. Also, a big thank you to the IAIS Secretariat for their continuing resilience and ability to deliver excellent support to our members despite the uncertainty and strain. This hard work will provide us with a springboard for our ambitious plan of work for 2022.



# About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors from over 200 jurisdictions, constituting 97% of the world's insurance premiums.

As the international standard-setting body for insurance supervision, the IAIS develops and supports the implementation and assessment of international standards, with the aim to promote effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe and stable insurance markets.

As part of its mission, the IAIS works to identify, assess and mitigate systemic risk in the global insurance sector and provides an international forum for discussing and addressing the challenges and opportunities faced by the insurance sector and insurance supervisors.

The IAIS also has a forward-looking role in identifying key trends and developments that could reshape the business of insurance. This supports IAIS members in addressing emerging risks and challenges in insurance supervision. Currently, climate risk, technological innovation, cyber risk, conduct and culture, diversity, equity and inclusion (DE&I), financial inclusion and sustainable economic development are the strategic themes on which the IAIS is focused.

Established in 1994, the IAIS is hosted by the [Bank for International Settlements](#) (BIS) and operates with the support of a Secretariat located in Basel, Switzerland, under the direction of a Secretary General.

## Structure

The IAIS delivers on its mission through a committee system made up of its members. The committee system is led by an Executive Committee (ExCo) whose 37 member representatives stem from all regions of the world, including advanced as well as developing economies and insurance markets. The ExCo is responsible for providing strategic direction and managing IAIS affairs as specified in its [by-laws](#). It appoints the Secretary General and takes all decisions necessary to pursue the IAIS mission in accordance with the directions given by the General Meeting of Members (which includes all IAIS members).

The ExCo is supported by the following five committees established under the by-laws:

- Audit and Risk Committee
- Budget Committee
- Implementation and Assessment Committee
- Macropprudential Committee
- Policy Development Committee

See pages 14-15 for more information on IAIS committees.

### IAIS mission

The IAIS' mission is to promote effective and globally consistent supervision of the insurance industry 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.

# Strategy

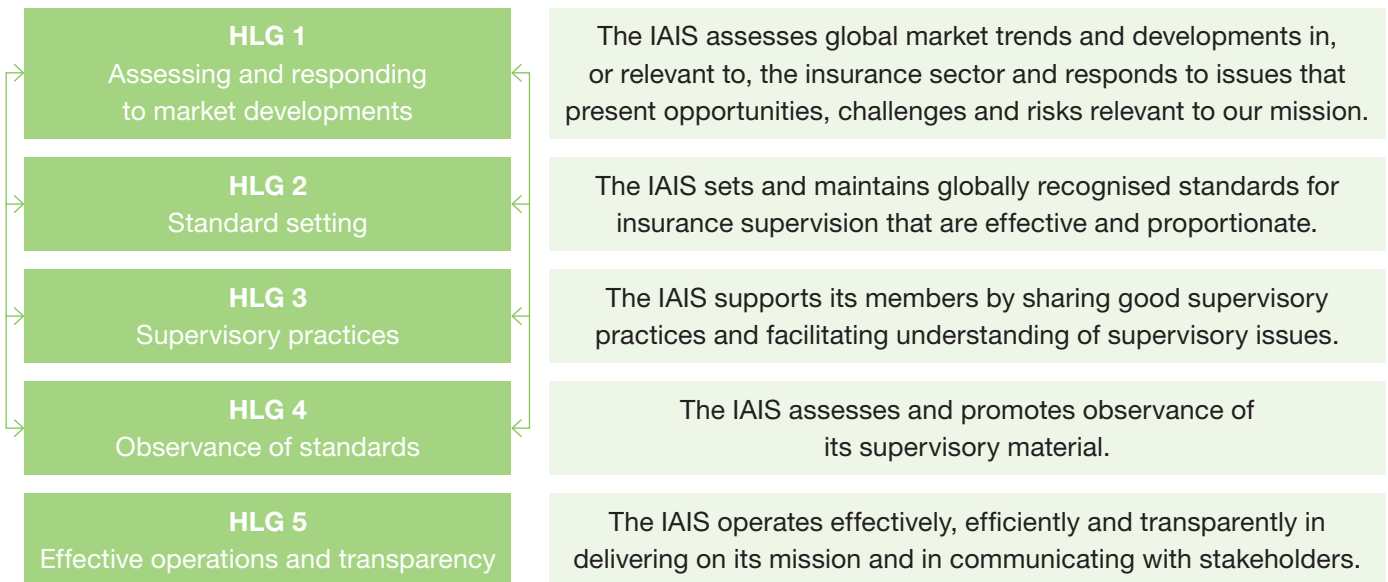
The IAIS is guided by its [2020-2024 Strategic Plan](#). Integral to the strategy are the high-level goals (HLGs) which focus the Association’s work and leverage the potential for effective collaboration with partner organisations, other standard-setting bodies and industry stakeholders.

The roster of HLG activities focuses on specific themes driven by the trends and developments in insurance markets and supervisory organisations. Specific areas of focus are the finalisation and implementation of post-crisis reforms, ongoing

monitoring and assessment of key risks, addressing accelerating global trends that have the potential to reshape the business of insurance in the coming years and implementation assessment and capacity building activities.

The IAIS links the strategy with its key initiatives through its work programme – or [Roadmap](#). The Roadmap prioritises IAIS projects and activities over two years but is adapted yearly to align with newly identified risks or trends.

## High-level goals from the IAIS Strategic Plan 2020-2024

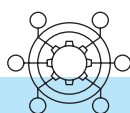


Over the past decade, the IAIS’ work on international standards for insurance supervision contributed to more advanced risk management and greater resilience in the insurance sector.

# Key strategic themes

As the global community of insurance supervisors, IAIS members need to remain keenly aware of the main trends and developments in the sector and respond to them with agility and insight. Accordingly, the IAIS has identified key themes that affect the sector and has increased its efforts to be forward-looking and collaborative in supporting members to adopt effective supervisory responses to these themes.

These themes are global in nature and cut across all the IAIS high-level goals. The IAIS examines them through its monitoring and assessment activities and by promoting strong supervisory practices on how to respond proactively to developments in these areas. Recognising the cross-sectoral nature of these themes, the IAIS coordinates and collaborates with other standard-setting bodies and stakeholders while providing an insurance sector perspective.



## Technological innovation

Rapidly increasing technological innovation, including advanced data analytics, will have far-reaching effects on the insurance sector. It presents significant opportunities for financial inclusion and policyholder value yet also poses conduct and operational risks.



## Conduct and culture

A holistic approach to market conduct and prudential supervision is called for, recognising that conduct and culture issues could lead to financial soundness and stability concerns. Additionally, technological changes to the insurance business model present new conduct challenges, such as supervising the use of advanced data analytics.



## Cyber risk

Cyber risk has been increasing for several years, in line with expanding digitalisation and interconnectedness, greater use of remote working and the growth in global cyber threats. Insurers are not only exposed to cyber risks in their operations but are also active takers of cyber risk through their cyber underwriting activities.



## Climate risk

Climate change impacts the resilience of individual financial institutions, including insurers, as well as financial stability. Insurers are exposed to both transition and physical risks through their underwriting and investment activities. Insurers can also be important agents in identifying, mitigating and managing climate risk.



## Diversity, equity and inclusion

Advancing DE&I within insurers' organisations and business models supports sound prudential and consumer outcomes and plays a role in achieving broader sustainability objectives. DE&I can positively impact insurers' corporate governance and risk management, facilitate innovation, prevent discriminatory practices that lead to negative consumer outcomes, and create more accessible markets supporting financial inclusion.



## Financial inclusion and sustainable economic development

Insurance supervision plays a vital role in insurance market development and, more broadly, sustainable economic growth. Policyholder protection and financial stability are fundamental to ensuring the sustainable involvement of the insurance sector in closing the protection gap (including the provision for security in old age), supporting inclusive insurance markets and promoting sustainable long-term investment.

## Assessing global trends and risks

To support its mission, the IAIS assesses market trends and developments in, or relevant to, the global insurance sector and responds to issues that present opportunities, challenges and risks.

The Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector aims to identify, assess and mitigate the potential build-up of systemic risk in the global insurance sector. It has three main elements:

- An enhanced set of supervisory policy measures and powers of intervention;
- The Global Monitoring Exercise (GME), including a collective discussion on the assessment of risk and supervisory responses; and
- The assessment of the implementation of the Holistic Framework supervisory material.

The GME is designed to assess global insurance market trends and developments. This includes, at an individual insurer and sector-wide level, a collective discussion at the IAIS on the assessment of potential systemic risks and appropriate supervisory responses. The outcomes are reported to the [Financial Stability Board](#) (FSB). The IAIS also shares the outcomes of the GME each year with the public in its Global Insurance Market Report.

## Standard setting

The IAIS develops supervisory material (principles, standards and guidance) for effective supervision of insurance-related activities. Notably, the IAIS has developed the Insurance Core Principles (ICPs) and the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame).

The ICPs provide the globally accepted foundation of standards for supervision of the insurance sector. They are periodically revised to capture relevant experiences and learnings from trends and developments in the insurance sector as well as the financial regulatory environment.

ComFrame builds on the ICPs and establishes supervisory standards and guidance focusing on the effective group-wide supervision of Internationally Active Insurance Groups (IAIGs). By providing supervisors with a common language for the supervision of IAIGs, ComFrame supports strengthened coordination and helps supervisors address group-wide risks and avoid supervisory gaps.

As part of ComFrame, the IAIS developed an Insurance Capital Standard (ICS), which aims to provide a globally comparable risk-based measure of capital adequacy of IAIGs. ICS version 2.0 is being used during a five-year monitoring period (2020-2024) for confidential reporting to group-wide supervisors and discussion in supervisory colleges.

Integrated into the ICPs and ComFrame is the Holistic Framework-related supervisory material. This includes an enhanced set of supervisory policy measures for macroprudential purposes, designed to increase the overall resilience of the insurance sector and help prevent insurance sector vulnerabilities and exposures from developing into systemic risk.

**As the global standard-setting body for insurance supervision, the IAIS coordinates its work with other international financial policymakers, associations of supervisors and standard-setting bodies.**

## Implementation assessment and capacity building

The IAIS actively assesses and promotes the observance of its supervisory material by providing a tool for self-assessments, conducting thematic peer reviews and undertaking comprehensive member assessments.

Working closely with implementation partners such as the [Access to Insurance Initiative \(A2ii\)](#), the [Financial](#)

[Stability Institute \(FSI\)](#), the UN-convened [Sustainable Insurance Forum \(SIF\)](#) and the [Toronto Centre](#), as well as international organisations and regional associations of supervisors, the IAIS also supports the organisation of training seminars and conferences, as well as initiatives to support financial inclusion, enable peer exchange amongst supervisors and facilitate supervisory cooperation.

Many international bodies, including the Group of 20 (G20), routinely call upon the collective expertise of IAIS members.



# Committees

## Executive Committee

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Chair  
**Victoria Saporta**  
(UK, PRA)

Vice Chair  
David Altmaier  
(USA, Florida)

Vice Chair  
Norio Hida  
(Japan, FSA)

Vice Chair  
Suzette Vogelsang  
(South Africa, PA)

The Executive Committee is responsible for providing overall strategic direction and managing IAIS activities in a manner consistent with the specific duties set forth in the Association's by-laws. More generally, the Executive Committee is charged with doing all things necessary to ensure the sound functioning and furtherance of the mission of the Association. The Executive Committee is supported by the Audit and Risk, Budget, Macprudential, Policy Development and Implementation and Assessment Committees.

## Audit and Risk Committee

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Chair  
(appointed May 2021)  
**Norio Hida**  
(Japan, FSA)

Chair  
(November 2020 to May 2021)  
**Frédéric Hervo**  
(France, ACPR)



The Audit and Risk Committee is responsible for reviewing the internal controls of the Association and monitoring that its activities achieve their objectives through effective and efficient operations and are compliant with applicable procedures and resolutions.

## Budget Committee

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Chair  
**Ryan Workman**  
(USA, NAIC)

The Budget Committee is responsible for overseeing the financial position and financial management of the IAIS, monitoring the IAIS' financial situation on a regular basis, making recommendations on annual fee and expenditure levels, recommending and reviewing the IAIS' policies on investment and reserves, and reviewing proposals for significant unbudgeted expenditures.

## Implementation and Assessment Committee



Chair  
**Peter Braumüller**  
(Austria, FMA)

Vice Chair  
Tien-Mu Huang  
(Chinese Taipei, FSC)

Vice Chair  
(until October 2021)  
Ekrem Sarper  
(USA, NAIC)

Vice Chair  
(appointed October 2021)  
Rashmi Sutton  
(USA, NAIC)

Implementation activities support our standard-setting mandate and are critical to achieving effective and globally consistent supervision. The Implementation and Assessment Committee (IAC) supports members in implementing IAIS supervisory material by assessing observance of IAIS standards, providing guidance on supervisory practices, promoting information exchange and supervisory cooperation, and facilitating supervisory capacity building and promoting financial inclusion, in particular for EMDE jurisdictions. The IAC is supported by six groups:

- FinTech Forum
- Financial Inclusion Forum
- Retirement Income and Pension Forum
- Standards Assessment Working Group
- Supervisory Forum
- Signatories Working Group

## Macroprudential Committee



Chair  
**Dieter Hendrickx**  
(Belgium, NBB)

Vice Chair  
Marcelo Ramella  
(Bermuda, BMA)

Vice Chair  
Steven Seitz  
(USA, Treasury/FIO)

The Macroprudential Committee (MPC) is responsible for steering and overseeing the financial stability work of the IAIS.

The implementation of the Holistic Framework is one of the committee's key projects, including the Global Monitoring Exercise as well as work aimed at supporting IAIS members in implementing the Holistic Framework. In carrying out its mandate, the MPC is supported by two subcommittees:

- Macroprudential Monitoring Working Group
- Macroprudential Supervision Working Group

## Policy Development Committee



Chair  
**Gary Anderson**  
(USA, Massachusetts)

Vice Chair  
Paolo Cadoni  
(UK, PRA)

Vice Chair  
Ricardo Garcia  
(Bermuda, BMA)

The Policy Development Committee (PDC) oversees the development and review of supervisory and supporting material in collaboration with the other relevant committees. In carrying out its mandate, the PDC is supported by ten subcommittees, discussing and resolving complex technical and policy issues:

- Accounting and Auditing Working Group
- Capital, Solvency and Field Testing Working Group
- Financial Crime Task Force
- Governance Working Group
- Infrastructure Task Force
- Insurance Groups Working Group
- Market Conduct Working Group
- Operational Resilience Task Force
- Resolution Working Group
- Supervisory Material Review Task Force

# Assessing and responding to global market trends

Assessing and responding to global market risks and trends is central to the IAIS' mission to protect policyholders and contribute to global financial stability.

At the core of this work lies the [Global Monitoring Exercise \(GME\)](#), the IAIS' risk assessment framework. The GME builds on data collected from approximately 60 of the largest international insurance groups (through the individual insurer monitoring or IIM) and aggregate sector-wide data from supervisors across the globe (through the sector-wide monitoring or SWM), covering over 90% of global written premiums. The GME helps ensure that the international coordination of supervisory measures to mitigate systemic risk is grounded in evidence.

In 2021, the IAIS Executive Committee held collective discussions on the outcome of the GME, based on a defined scope of individual insurers and three sector-wide macroprudential themes. Through a feedback loop, supervisors shared their assessment of the GME findings relating to individual insurers and the overarching themes in the scope of the discussions and reported on the supervisory response to risks identified in the GME.

## Impact of Covid-19 on the global insurance sector

In 2020, the GME was repurposed to assess the impact of Covid-19 on the global insurance sector. This targeted assessment was updated in 2021 and its results were published in the IAIS' [2021 Global Insurance Market Report \(GIMAR\)](#).

The data, collected to end-2020, showed that insurers remained operationally and financially resilient despite significant market movements and disrupted economic activity. The strong performance of financial markets in the second half of 2020, supported by unprecedented fiscal and monetary stimuli, resulted in insurers' solvency ratios continuing to improve in Q4 2020 compared to Q2 2020. On aggregate, however, Q4 2020 solvency ratios were lower than at Q4 2019. Insurers' profitability continued to be under pressure, recovering slightly over the course of 2020. Insurers continued to implement several measures in response to the pandemic, such as reduced shareholder dividends and share buy-backs, increased solvency and liquidity monitoring, debt issuance and measures to support solvency and liquidity across different subsidiaries.

In 2021, the first full GME was completed since its adoption as part of the Holistic Framework. It encompassed two years of data.



# Completion of first full GME

In 2021, the first full GME was completed since its adoption as part of the Holistic Framework. It encompassed two years of data. The IAIS held collective discussions on the key outcomes of the GME, based on a defined scope of individual insurers and three sector-wide macroprudential themes, which were identified as supervisory priorities: (1) low yield environment and the related trend of increased private equity ownership of insurers, (2) credit risk and (3) cyber risk.

A brief description of these themes is detailed below. More information, including supervisory and regulatory measures taken with respect to these themes, is highlighted in the 2021 GIMAR.

The IAIS also reported to the FSB the key outcomes of the GME, including the IAIS assessment of systemic risk in the global insurance sector and the supervisory response to identified risks.

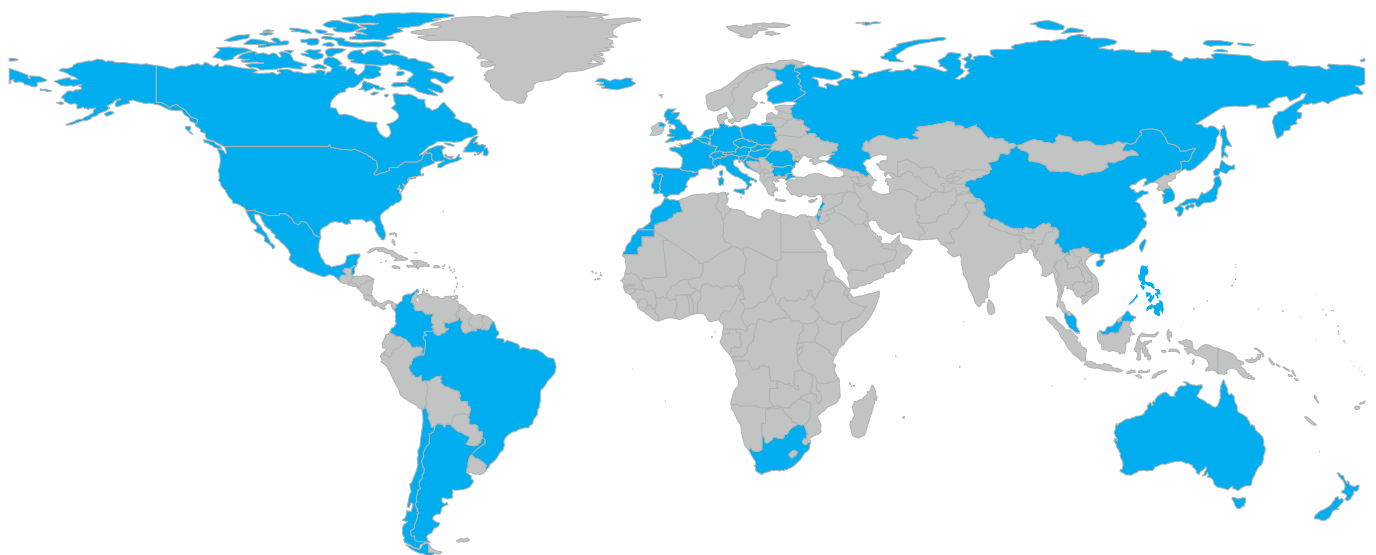
## Low interest rate environment and private equity ownership of insurers

The low interest rate environment, which continued through the pandemic, had direct effects on insurers. For example, strains on profitability were observed. Also noted was the potential for indirect effects from associated management actions (searching for yield, altering life insurance product offering, putting life portfolios in runoff, or transferring (re)insurance business).

Relatedly, the private equity (PE) industry's growing interest in acquiring life (re)insurance portfolios was identified as an emerging trend in certain jurisdictions.

Supervisors are continuing to evaluate the implications of PE ownership. Some acknowledge that PE-owned insurers may pose unique risks, such as increased exposures to private placements and private label asset-backed securities – notably collateralised loan obligations. Others note that PE-ownership may also bring synergies, such as the investment expertise provided by PE-owned firms and indicate that they observed the same trend of investment in lower credit quality assets, purported to be associated with PE-owned firms, occurring across the insurance industry.

## Jurisdictions that participated in the SWM data collection



### Credit risk

Sovereign and corporate debt reached historically high amounts, which could lead to credit spreads widening, default and rating (outlook) changes. As substantial fixed-income investors, insurers need to manage this risk in both their asset and liability portfolios.

Most of the assessed insurers did not take excessive credit risks, with a high average credit quality of assets. However, in the search for yield, some changes in insurers' asset allocations were observed, leading to increases in credit risk.

### Cyber risk

Supervisors observed increasingly frequent and severe cyber-attacks during the Covid-19 pandemic, in terms of number, impact and sophistication. Also, supervisors noted that malware and phishing campaigns have become more common. The shift to remote working and increased digitalisation, combined with the rise of new technologies, increased cyber risk.

In response, supervisors are strengthening their own governance and building up expertise in cyber issues, for example, by establishing cyber-resilience committees. Supervisors stressed the need for insurers to maintain their cyber capabilities. The IAIS' 2022 GIMAR special topic edition will focus on cyber risk and its implications for the global insurance sector.

### Global reinsurance market

The GME also includes an assessment of developments in the global reinsurance market. By embedding the former Global Reinsurance Market

Survey into the SWM, the IAIS enhanced the global coverage and representativeness of its analysis, adding 13 jurisdictions to the scope of the data collection. The size of the global net reinsurance market covered by the SWM was approximately \$312 billion in 2020.

## Development of liquidity metrics

As part of the GME, the IAIS also monitors liquidity risk. The IAIS is developing liquidity metrics as an ancillary indicator in the context of the IIM. These will not be a binding requirement, rather a monitoring tool that will help identify trends in individual insurer and insurance sector liquidity. The metrics will serve as a tool to facilitate the monitoring of the global insurance industry's liquidity risk.

The development of the liquidity metrics is split into two phases:

- During Phase 1 (2020-2021), the IAIS developed an Insurance Liquidity Ratio, which uses an exposure approach; and
- During Phase 2 (2021-2022), the IAIS is developing additional liquidity metrics, including a company projection approach that utilises insurers' projections of cash flows. The IAIS launched its [consultation](#) on these additional liquidity metrics in November 2021.

**By embedding the former Global Reinsurance Market Survey into the sector-wide monitoring, the IAIS enhanced the global coverage and representativeness of its analysis.**

# Standard setting

Efficient and coordinated global supervision is fundamental to insurance sector resilience.

The standards adopted by the IAIS in November 2019, including the [Holistic Framework](#) and [ComFrame](#), have provided a common language and additional tools in the supervisory toolkit to support a coordinated approach to insurance group supervision.

IAIS standard-setting activities in 2021 focused primarily on the [Insurance Capital Standard \(ICS\)](#) and its associated initiatives.

## Holistic Framework

The Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector (Holistic Framework) was adopted by the IAIS in November 2019. It consists of three key elements:

- An integrated set of supervisory policy measures for macroprudential purposes;
- A Global Monitoring Exercise; and
- Implementation assessment activities.

Updates on activities undertaken in 2021 related to the Holistic Framework can be found in dedicated sections of this report:

- Developing supporting materials for the practical application of the supervisory policy measures (chapter on Sharing supervisory practices and issues).
- The Global Monitoring Exercise (chapter on Assessing and responding to global market trends).
- Conducting implementation assessments of the Holistic Framework supervisory material (chapter on Assessing and promoting observance of our supervisory material).

## ComFrame

The Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) was adopted in November 2019 and establishes supervisory standards and guidance focusing on the effective group-wide supervision of Internationally Active Insurance Groups (IAIGs). It is a comprehensive and outcome-focused framework aimed at facilitating effective group-wide supervision of IAIGs by providing qualitative and (in a future phase, through the ICS) quantitative supervisory minimum requirements tailored to the international activity and size of IAIGs.

In line with ComFrame standards in ICP 23 (Group-wide Supervision), group-wide supervisors (GWSs) are responsible for the identification of IAIGs, in cooperation with other involved supervisors, after considering whether a group meets certain size and international activity criteria. The IAIS monitors the identification and disclosure of IAIGs by the relevant GWSs. The IAIGs that have been publicly identified at the end of 2021 are reflected in the [public register](#) available on the IAIS website, which is updated at least annually.

In 2021, the IAIS developed supporting material to help supervisors with the practical application of ComFrame. The IAIS, together with the FSI, also launched the Specialised Insurance Online Course (SIOC), focusing on ComFrame, the Holistic Framework and the ICS. Preparatory work for assessing the implementation of ComFrame will commence in 2022, with the actual assessment activities to be carried out starting in 2023.

### Number of IAIGs at end-2021



not disclosed IAIGs

publicly disclosed IAIGs

# Insurance Capital Standard

As part of ComFrame, the ICS aims to provide a globally comparable risk-based measure of capital adequacy of IAIGs, as well as a common language to facilitate effective discussions about group solvency within supervisory colleges. During the five-year monitoring period (2020-2024), the IAIS is monitoring the performance of the ICS and identifying the need for potential adjustments before it becomes a prescribed capital requirement (PCR). During this period, the ICS is being used for confidential reporting to GWSs and discussions in supervisory colleges. ICS results during the monitoring period do not trigger any supervisory action.

2021 marked the second year of the five-year monitoring period for ICS version 2.0. Feedback from GWSs and supervisory colleges about ICS performance have been helpful and contributed to clarifications to the specifications of the ICS. Based on the feedback, discussions regarding potential future adjustments to the ICS have also begun. To facilitate ICS discussions within supervisory colleges during the monitoring period, each year the IAIS provides each GWS with a package of materials that includes a report (or dashboard) of ICS results for its volunteer groups (those groups participating in ICS confidential reporting – they may be IAIGs or other interested groups), guidance material to understand the report, and questionnaires to solicit feedback on

the performance of the ICS, including any challenges with applying the specifications.

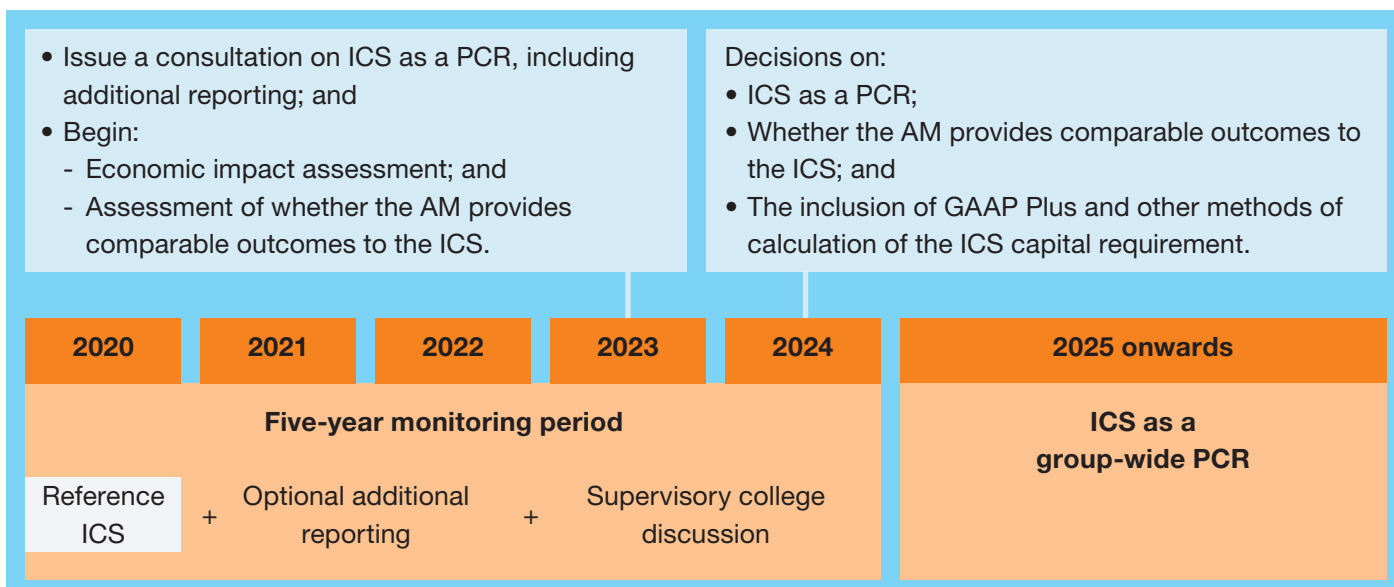
Participation and engagement from volunteer groups remained strong during 2021. The IAIS continues to encourage participation across jurisdictions and business models to ensure that the ICS captures risk appropriately for all IAIGs.

## Assessment of comparable outcomes

In parallel to the ICS monitoring period, the IAIS is developing criteria to assess whether the aggregation method (AM), being developed by the United States, provides comparable outcomes to the ICS. In 2021, the definition of comparable outcomes and six high-level principles to inform the development of the criteria were agreed after a [public consultation](#). Work is ongoing on the draft criteria, which are being developed in such a manner that the AM is neither precluded at the outset as an outcome-equivalent approach to the ICS for measuring group capital nor given a free pass.

If deemed comparable, the AM will be considered an outcome-equivalent approach for implementation of the ICS as a PCR. The IAIS aims to be in a position by the end of the monitoring period to assess whether the AM provides comparable outcomes to the ICS.

## The ICS five-year monitoring period



# Sharing supervisory practices and issues

Following an intensive period of standard setting, the IAIS has shifted focus under the 2020-2024 Strategic Plan to support its members in implementing those standards and proactively responding to risks and opportunities arising from key global trends.

Key trends include digital innovation, cyber risk and climate risk, all of which can potentially reshape the business of insurance in the coming years. In 2021, the IAIS Executive Committee (ExCo) added diversity, equity and inclusion (DE&I) as a key strategic theme in its work programme.

To aid its members, the IAIS develops various supporting materials relevant to, and addressing the interests and demands of, insurance supervisors. Another important pillar of supervisory practices efforts is to enable cooperation amongst insurance supervisors and the exchange of supervisory information, for instance by providing a platform to share practical insights and experiences through its forums.

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the IAIS develops various  
supporting materials  
relevant to, and addressing  
the interests and demands  
of, insurance supervisors.

## Supporting implementation of post-crisis reforms

In 2021, the IAIS published a number of Application Papers designed to support the practical implementation of the post-crisis reforms adopted in 2019, namely a set of revised Insurance Core Principles (ICPs), the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) and the Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector (Holistic Framework).

### Supervisory cooperation and coordination

The IAIS finalised the revision of the Application Paper on Supervisory Colleges in November 2021. This paper describes recommended processes and practices related to the establishment and functioning of supervisory colleges for insurance groups with cross-border activities and supports the implementation of ICP 3 (Information Sharing and Confidentiality Requirements) and ICP 25 (Supervisory Cooperation and Coordination). In particular, the paper sheds light on the work of supervisory colleges and explains the role and involvement of insurers in supervisory colleges.

The paper was initially published in October 2014. The updated version reflects subsequent developments of IAIS supervisory material, in particular revisions to ICPs 3 and 25 and the related ComFrame standards. The paper was also revised to reflect up-to-date supervisory practices related to the organisation and functioning of supervisory colleges.

## Macroprudential supervision

The Holistic Framework encompasses an enhanced set of supervisory policy measures for macroprudential purposes, designed to increase the overall resilience of the insurance sector and help prevent insurance sector vulnerabilities and exposures from developing into systemic risk.

As part of the Holistic Framework, the IAIS revised ICP 24 (Macroprudential Supervision) in 2019 to address more explicitly the build-up and transmission of systemic risk at the individual insurer and sector-wide level.

In August 2021, the IAIS published the [Application Paper on Macroprudential Supervision](#) to provide further guidance on the supervisory material in ICP 24. The paper offers guidance on the collection of data and the use of risk dashboards for macroprudential purposes. It also provides examples of how the assessment of systemic importance can be set up and used in practice, guidance to support effective interaction between macroprudential analysis and supervisory responses, and information on the importance of transparency.

## Resolution

Recovery and resolution frameworks help reduce the likelihood of a disorderly failure of insurers, as well as the potential adverse impacts of such a failure on policyholders and financial stability. ICP 12 (Exit from the Market and Resolution) and the ComFrame material integrated therein set out the relevant requirements for resolution.

In June 2021, the IAIS published the [Application Paper on Resolution Powers and Planning](#). The paper provides guidance for supervisors and resolution authorities in implementing a resolution framework, including setting up powers, as well as planning, coordination and cooperation. The paper also includes examples of how IAIS members have integrated (or are in the process of integrating) resolution powers into legislation.

## Supervisory Practices: Papers and consultations in 2021

### The IAIS published ten papers and reports in 2021:

[Application Paper on Combating Money Laundering and Terrorist Financing](#)

[Application Paper on Macroprudential Supervision](#)

[Application Paper on the Supervision of Climate-related Risks in the Insurance Sector](#)

[Application Paper on Supervision of Control Functions](#)

[Application Paper on Supervisory Colleges](#)

[Application Paper on Resolution Powers and Planning](#)

[Issues Paper on Insurer Culture](#)

[IAIS FSI Note on Redefining insurance supervision for the new normal](#)

[2021 Global Insurance Market Report \(GIMAR\)](#)

[2021 GIMAR special topic edition on climate change](#)

### In addition, the IAIS initiated six consultations in 2021:

[Application Paper on Combating Money Laundering and Terrorist Financing](#)

[Application Paper on Macroprudential Supervision](#)

[Application Paper on Supervision of Control Functions](#)

[Application Paper on Supervisory Colleges](#)

[Development of Liquidity Metrics: Phase 2 – Company Projection Approach](#)

[Issues Paper on Insurer Culture](#)

## LIBOR transition

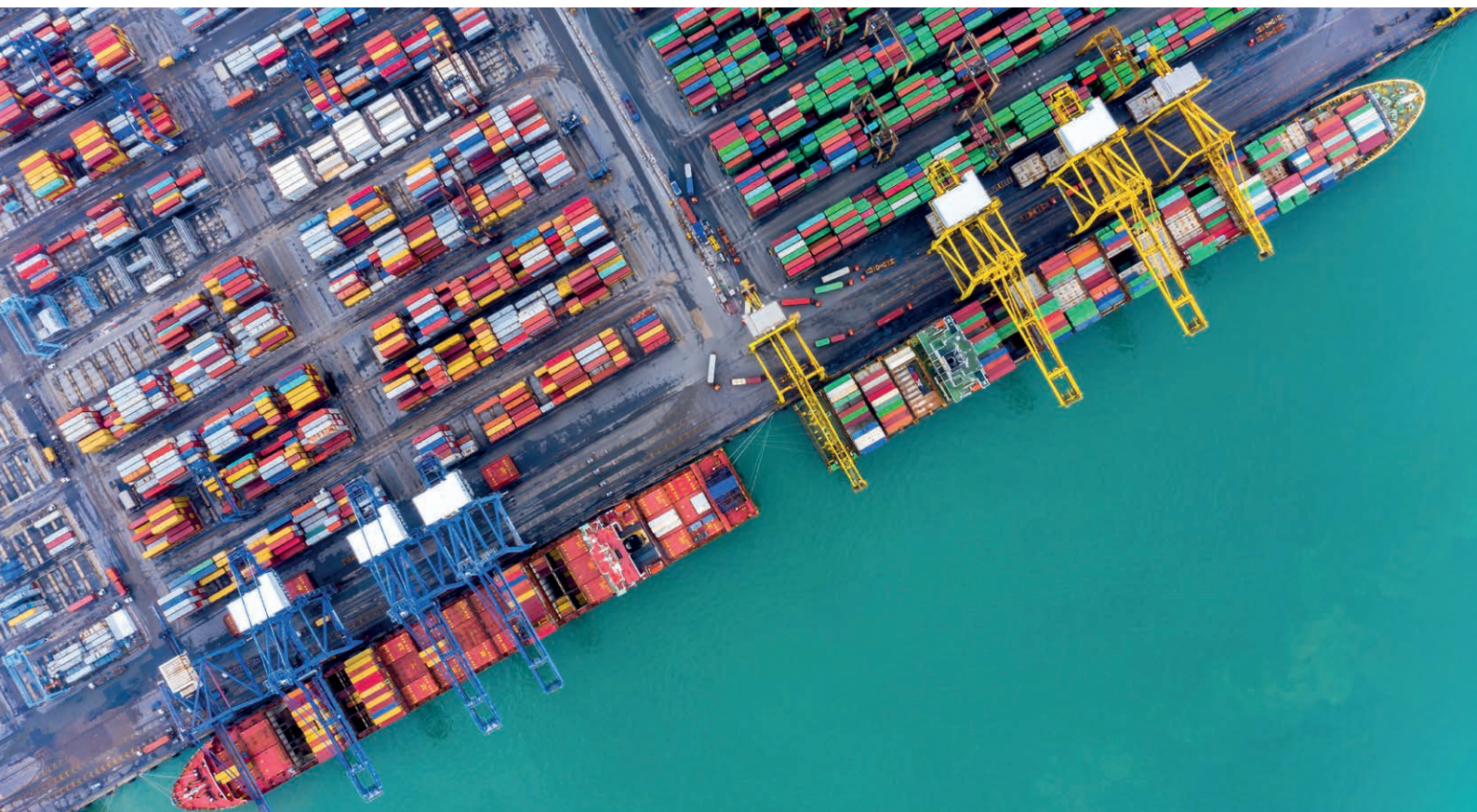
### Combating money laundering and terrorist financing

Money laundering and terrorist financing expose the insurance sector to legal, operational and reputational risks. To help insurance supervisors understand and take steps to combat these risks, in November 2021 the IAIS published a revised Application Paper on Combating Money Laundering and Terrorist Financing, providing additional up-to-date guidance regarding supervision of money laundering and terrorist financing risks affecting the life insurance sector.

The IAIS originally published the Application Paper in 2013. The revision took into account updated recommendations from the Financial Action Task Force (FATF) – the inter-governmental global money laundering and terrorist financing standard setter, the revised FATF Guidance for a Risk-Based Approach in the Life Insurance Sector and the revised ICP 22 (Anti-Money Laundering and Combating the Financing of Terrorism). The revised paper includes updates aligning terminology and ensuring consistency with FATF recommendations and new guidance on elements reflected in the latest version of ICP 22.

In 2021, the IAIS cooperated closely with the FSB to support the financial sector in a smooth and timely transition away from the London Inter-bank Offered Rate (LIBOR) by end-2021.

In June 2021, the IAIS published a statement on benchmark transition, following up on its July 2020 Report on supervisory issues associated with benchmark transition from an insurance perspective. The statement endorses the FSB's statements and related reports regarding a smooth and timely transition away from LIBOR by end-2021 and encourages insurance supervisors to strengthen their efforts to facilitate insurers' transition. A distinct feature of benchmark transition risk in the insurance sector is that insurers may be exposed on both sides of their balance sheet – for instance, on the asset side through investments linked to LIBOR or on the liability side through the use of benchmark yield curves.



# Responding to key trends

The IAIS 2020-2024 Strategic Plan focuses on specific themes driven by trends and developments in insurance markets and supervisory organisations. Many of these trends are areas of common interest with other standard-setting bodies but also have a particular insurance sector perspective with the potential to impact both our developed and emerging market members. The Covid-19 pandemic has amplified some trends, or aspects thereof, even faster than expected.

The IAIS monitors them through its assessment activities and promotes proactive supervisory responses to developments in these areas. The IAIS also collaborates with other standard-setting bodies and stakeholders, recognising the cross-sectoral nature of the themes while also seeking to provide an insurance sector perspective.

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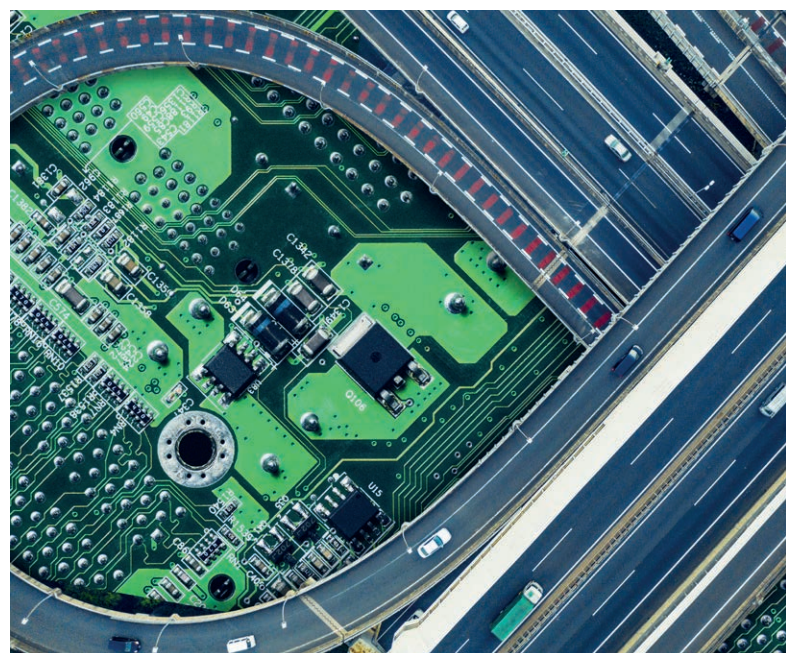
## Technological innovation

In 2021, the IAIS continued its targeted surveillance activities of developments in technological innovation through its [FinTech Forum](#). The FinTech Forum is a virtual forum of technical experts from the IAIS' diverse membership. It serves as a platform to share practical insights and experiences on FinTech-related developments influencing the insurance sector and insurance supervisors globally. Three dedicated workstreams conducted targeted surveillance on the deployment of technology applications across the insurance sector, namely:

- Safe, fair and ethical adoption of artificial intelligence (AI) and machine learning (ML) and the use and governance of data;
- Application programming interfaces (APIs) and open data; and
- Distributed ledger technologies (DLTs) and blockchain.

The deep-dive analyses aim to identify specific use cases and describe the implications of these use cases for insurance supervision.

In November 2021, Petra Hielkema (European Insurance and Occupational Pensions Authority) was appointed as the ExCo FinTech Champion and FinTech Forum Chair.





## Cyber resilience

Rapid technological change and innovation, accelerated due to Covid-19, have dramatically increased the potential for cyber attacks.

Following the publication of its [Report on Cyber Risk Underwriting](#), in late 2020, the IAIS established the Operational Resilience Task Force (ORTF). The ORTF is developing an Issues Paper on the challenges and developments related to cyber resilience, alongside other topics relevant to operational resilience. During 2021, the ORTF reviewed how existing ICPs support cyber resilience concepts and took stock of recent publications relevant to the topic. The ORTF also provided an important forum for supervisors to share information on operational resilience initiatives and developments. In 2022, the ORTF will engage with external stakeholders and experts in the field to discuss lessons learnt and implications of the Covid-19 pandemic, as well as emerging risks. The inputs will be used to develop the Issues Paper, for public consultation in mid-2022.

## IAIS-FSI Note on redefining insurance supervision for the new normal

The Covid-19 pandemic challenged the operational resilience and adaptability of insurers and supervisory authorities worldwide. Many of the adjustments implemented are set to shape the future “new normal” of insurance supervision beyond the current crisis.

Together with the FSI, the IAIS engaged with several insurance supervisors to learn more about their measures to cope with the pandemic. The learnings and conclusions were published in the [IAIS-FSI Note on redefining insurance supervision in the new normal](#). The note describes how insurance supervisors transitioned to remote working and how it affected their supervisory processes and activities. It also highlights vital human resource and team cohesion aspects that enabled supervisors to adjust to the situation. Based on lessons learnt from the crisis, the note explores potential longer-term impacts of prolonged remote working and presents considerations for supervisors as they continue adjusting to the new normal of digitalisation well into the post-Covid future.

## Culture, conduct and governance

In June 2021, the IAIS published the [Application Paper on Supervision of Control Functions](#). It describes good practices related to the supervision of control functions, helping to address issues related to the role, independence, stature, combination and outsourcing of control functions. The paper also includes a section focused on the internal audit function and one that covers issues specific to the supervision of group-wide control functions.

In November 2021, the IAIS published the [Issues Paper on Insurer Culture](#), exploring the role of insurer culture at the intersection of prudential and conduct risks management. Understanding the various elements that make up an insurer’s culture and inform its decisions, behaviours and practices can be critical in helping supervisors identify and address prudential and conduct issues in a timely and effective manner. This could, in turn, potentially reduce the occurrence of widespread misconduct and possible financial and consumer harm. The paper also illustrates cultural drivers with jurisdictional examples.

Throughout 2021, guidance material was developed to inform the use of key indicators and data gathering techniques to assess the conduct of insurers. This followed the December 2020 launch of a member survey to take stock of current practices and challenges relating to the collection and use of data for conduct supervision purposes. The influence of the Covid-19 pandemic on the types of data collected and the technology used was also examined. The results of this work will be made available to members in 2022 and 2023.

### Diversity, equity and inclusion

In September 2021, the IAIS ExCo agreed to add issues related to DE&I in the insurance sector as a key strategic theme for the IAIS. This was followed in November by the publication of a [statement](#) on the importance of DE&I considerations in insurance supervision. The statement recognises the importance of DE&I to the objectives of insurance supervision and consequently to the IAIS' mission and also outlines the IAIS' commitment to deepening and strengthening its work to support insurance supervisors and the insurance sector to address DE&I issues.

To provide leadership on this strategic theme, IAIS ExCo member Helen Rowell (Australian Prudential Regulatory Authority) was appointed to the newly created position of ExCo DE&I Champion. The IAIS will also further build DE&I into its own internal governance and processes.

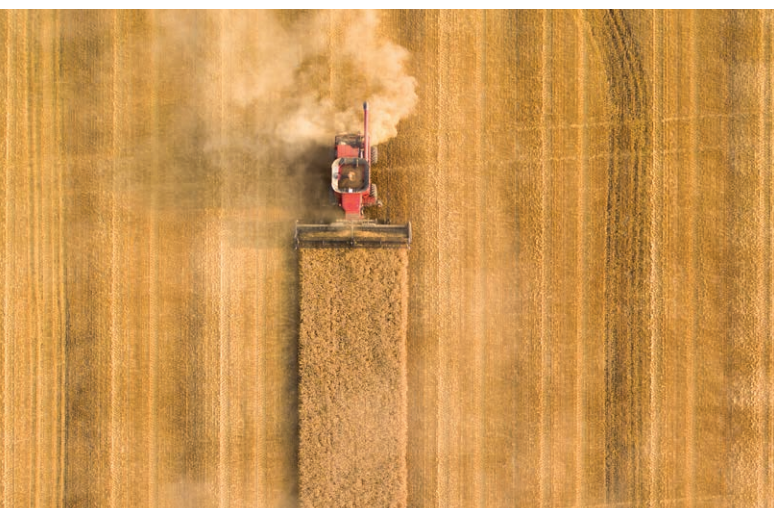
**In 2021, the IAIS Executive Committee added diversity, equity and inclusion as a key strategic theme in its work programme.**

### Financial inclusion and sustainable economic development

The importance of financial inclusion and sustainable economic development have significantly increased with the pandemic. The accelerated digitalisation trend has also created a variety of opportunities for financial inclusion products, services and markets, including improved penetration and long-run cost reduction. Separately, the pandemic and other man-made disasters have exacerbated the need for the most vulnerable and under-served to gain access to insurance.

In response, supervisors have established several initiatives to support fair and transparent distribution of insurance products, increase insurance literacy levels and strengthen consumer protection. These include financial inclusion surveys, access and inclusion regulations to address particular segments and to protect policyholders' interests, financial education campaigns and financial inclusion strategies.

In 2021, the IAIS-A2ii Supervisory and Public Dialogues as well as the Financial Inclusion Forum were the major platforms for emerging market and developing economy insurance supervisors to share practices and create knowledge. The IAIS peer reviews also report on member practices, useful for the broader IAIS membership.



### Enhanced cooperation arrangements on financial inclusion

The IAIS and A2ii participate in activities under the enhanced cooperation arrangements on financial inclusion between the Bank for International Settlements (BIS), the global standard-setting bodies and financial inclusion organisations such as the Office of the [United Nations Secretary General's Special Advocate for Inclusive Finance for Development](#) (UNSGSA), the [Global Partnership for Financial Inclusion](#) (GPFI) and the [Consultative Group to Assist the Poor](#) (CGAP).

## Climate risk

In their role both as underwriters and investors, insurers' business models are particularly impacted by climate change. Given the risks posed by climate change, the IAIS committed in 2021 to significantly increase its focus on this issue. Insurance supervisors globally have stated the need for insurers to integrate climate risks into governance and enterprise risk management frameworks and have highlighted the importance of public disclosure of material climate-related risks.

In May 2021, the IAIS and Sustainable Insurance Forum (SIF) published an [Application Paper on the Supervision of Climate-related Risks in the Insurance Sector](#). It provides recommendations and examples of good practices for insurance supervisors to examine how insurers are addressing climate risks.

In September 2021, the IAIS published the first global quantitative study of climate risks on the asset side of insurers' balance sheets, as part of a [special topic edition of the Global Insurance Market Report \(GIMAR\)](#). The report, covering 75% of the global insurance market, concluded that more than 35% of insurance investments may be exposed to climate-related risks. Under a "disorderly transition" scenario, results showed an absolute drop in insurers' solvency ratio of more than 14%, increasing to almost 50% under a "too little, too late" scenario. Caution is needed, though, because this assessment only reviewed the asset side of the balance sheet, and knowledge on the impact of climate change continues to evolve rapidly.

In October 2021, ahead of the COP26 climate conference, the IAIS released a [statement](#) affirming its continued commitment to urgently advance work on risks and opportunities associated with climate change.

Also, during COP26, the IAIS launched the [Climate Training Alliance \(CTA\)](#) in a partnership with the FSI, the Network for Greening the Financial System (NGFS)

## Partnership with SIF

Through a close partnership with the United Nations-convened SIF, the IAIS made significant progress throughout 2021 in assessing and responding to the risks from climate change. Launched in December 2016, the SIF is a global network of insurance supervisors and regulators working together on climate and sustainability challenges faced by the insurance sector. In 2021, the SIF published reports on nature-related risks as well as supervisory approaches to promoting public disclosures.

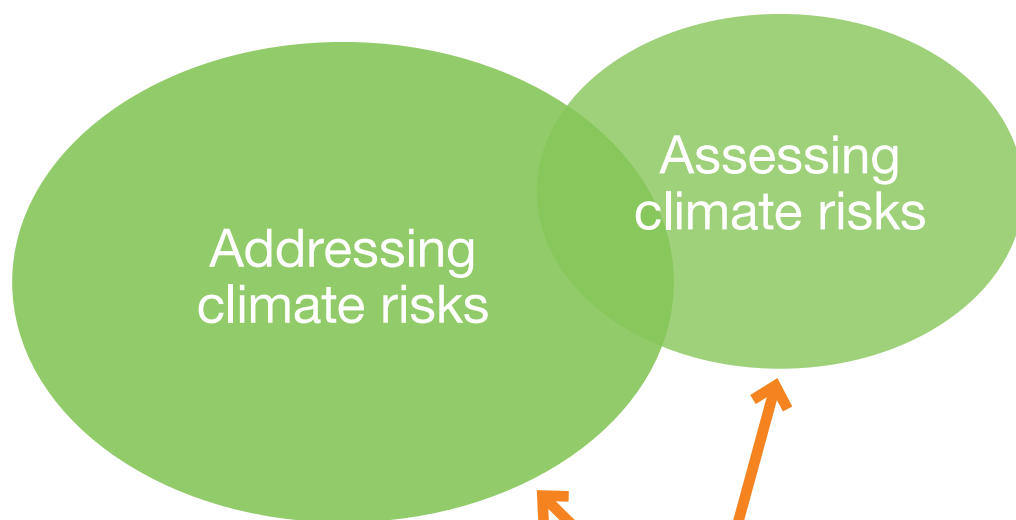


and the SIF. The CTA is an online portal for training on climate-related risks for central banks and supervisors. It brings together authorities at the cutting-edge of climate risk management to share their experience with the rest of the central banking and supervisory community.

To take forward the IAIS' work on climate, the ExCo established the Climate Risk Steering Group (CRSG) in 2021. The activities and deliverables of the CRSG cover three key areas:

- Standards: a gap analysis of our global insurance standards (ICPs);
- Scenario analysis: a stocktake of members' work on scenario analysis to consider the need for further guidance; and
- Data: integrating elements on climate-related risks into the Global Monitoring Exercise (GME) data collections.

Climate change is a key theme within the IAIS Strategic Plan. The IAIS' work on climate change spans across many of our activities, ranging from financial stability risk assessment, developing supervisory and supporting material and capacity building.



**IAIS climate focus**

**2022 and beyond**

- ICP updates and supporting material to more explicitly include climate risk
- Scoping and sharing best practices on climate risk scenario analysis
- Climate data elements integrated in GME

**2021**

- Aug 2021: Creation of Climate Risk Steering Group
- July 2021: Launch of Climate Training Alliance
- Oct 2021: Public statement on climate change
- Sept 2021: GIMAR special topic edition on climate change
- May 2021: Application Paper on the Supervision of Climate-related Risks in the Insurance Sector

**2020**

- Dec 2020: IAIS Environmental Policy
- Feb 2020: Issues Paper on the Implementation of the TCFD Recommendations

**2019**

- July 2019: Observer of the Network for Greening the Financial System

**2018**

- July 2018: Issues Paper on Climate Change Risks to the Insurance Sector

**2016**

- Dec 2016: Partnership with the Sustainable Insurance Forum

Expand and build into broader efforts

Embed in supervisory practices

Establish foundation

# IAIS Forums

IAIS forums provide an ongoing and flexible platform for technical experts to share insights and discuss developments in a specific area relevant for insurance supervision and regulation, including but not limited to supervisory practices, cross-cutting topics and emerging trends. Forums are semi-permanent in nature and are characterised by offering innovative methods for members to engage in IAIS work. Two new forums were set up in 2021.

## Financial Inclusion Forum

Succeeding the Financial Inclusion Working Group, the Financial Inclusion Forum (FIF) enables broad jurisdictional representation and active engagement in the field of financial inclusion. The FIF provides an ongoing and flexible platform for insurance supervisors, complementing the various IAIS initiatives to support the efforts of its members to build capacity, share good supervisory practices and facilitate understanding of supervisory issues. The FIF is jointly supported by the IAIS and A2ii Secretariats.

### To achieve its objectives, the FIF has outlined four significant areas of activity:

Peer exchange: Provide a platform for peer learning and exchange, moderated by topic champions who lead the discussion.

Emerging trends and risks: Discuss and deep dive into inclusive insurance trends to create knowledge for FIF members.

Advocacy for the need and reference of inclusive insurance and the role of supervision at the policymaker level.

Raising awareness for the topic of inclusive insurance within the IAIS.

In 2021, the FIF hosted three plenary sessions and a discussion with stakeholders, covering:

- Microinsurance frameworks and supervision in support of inclusive insurance markets, including proportionality aspects;
- Opportunities and challenges for innovation and digitalisation in the insurance sector in times of Covid-19, including supervisory responses; and
- Impact of Covid-19 on consumer protection, understanding consumer needs and related financial inclusion measures.

## Retirement Income and Pensions Forum

The Retirement Income and Pensions Forum (RIPF) was established as a platform to enable greater understanding and insight into the impacts of ageing populations and other developments affecting retirement income and pension products. It brings together insurance supervisors from a broad range of jurisdictions that supervise pensions and retirement income businesses.

At its inaugural meeting in May 2021, the RIPF discussed consumer protection issues and the approaches taken to conduct supervision of pensions and retirement income business. Members shared their experiences on consumer protection frameworks, issues related to Covid-19 pension withdrawals and the impact on investment returns.

At the November 2021 meeting, members received an update on the key themes from the GME and updates from market participants and RIPF supervisors on investment strategies in a low-for-long interest rate environment, insurer approaches to managing pension investment risk and supervisory approaches to assessing risks.

# Assessing and promoting observance of our supervisory material

Globally consistent and effective implementation of the IAIS' supervisory material is core to the IAIS' strategic objectives.

Members' efforts to implement the IAIS supervisory material are supported through assessment of observance of IAIS standards, guidance on supervisory practices, promotion of information exchange and supervisory cooperation, and supervisory capacity building.

The IAIS' Coordinated Implementation Framework (CIF) outlines the pillars supporting the Association's implementation work:

- An enhanced programme for assessing the observance level of IAIS international standards;
- Cooperation and information exchange amongst members through the Multilateral Memorandum of Understanding; and
- Assisting members in building supervisory capacity and sharing good supervisory practices in collaboration with other international organisations and regional forums that share complementary objectives for strengthening insurance supervision.

Much of this work is delivered with our key implementation partners, the A2ii and the FSI.

## Implementation assessment activities

In 2021, the IAIS made significant progress in its work to help members identify gaps in their observance of the Insurance Core Principles (ICPs) through the Peer Review Process (PRP), the Member Assessment Programme (MAP) and the A2ii-supported Self-Assessment Tool (SAT).

### Peer Review Process

The PRP helps members identify the nature and extent of any weaknesses or gaps in their jurisdiction's supervisory and regulatory frameworks. It also promotes general understanding and observance of the IAIS' supervisory material and fosters peer exchange. The IAIS conducts PRPs on a thematic basis covering a defined set of ICPs. Individual jurisdictional reports are prepared, as are public aggregate reports. The latter include examples of useful practices, which provide valuable insights on effective implementation of the assessed standards and may be helpful for members to enhance implementation.

In June 2021, the IAIS published the Aggregate Report on the PRP for ICP 19 – Conduct of Business. Despite its launch in the early days of the Covid-19 pandemic, a total of 73 authorities participated in this PRP, with every IAIS region represented as well as 92% of FSB and 79% of OECD jurisdictions covered. Also, in 2021,

the IAIS launched the PRP on ICP 9 (Supervisory Review and Reporting) and ICP 10 (Preventive Measures, Corrective Measures and Sanctions) and began preparations for the PRP on ICP 16 (Enterprise Risk Management for Solvency Purposes).

### Member Assessment Programme

The MAP provides IAIS members with in-depth feedback on their implementation of the ICPs. The output of a MAP is a comprehensive report that contains recommendations on improving observance of supervisory standards, similar to the International Monetary Fund and World Bank's report on the Observance of the Standards and Codes initiative and Financial Sector Assessment Program. In 2021, the IAIS conducted a MAP in Mexico, which will be completed in 2022. In parallel, preparations started for conducting a MAP in Albania.

The IAIS aims to equip member representatives with the skills to carry out the function of assessors of the IAIS' supervisory material. To support this, preparations commenced for a training programme to be held in 2022-2023.

### Assessment of implementation of the Holistic Framework

Assessing the implementation of the Holistic Framework supervisory material is a key component of the Holistic Framework. The IAIS began in 2020 with a Baseline Assessment (BLA), aimed at determining the extent to which supervisors had already implemented the Holistic Framework supervisory material. In 2021, work commenced on more intensive Targeted

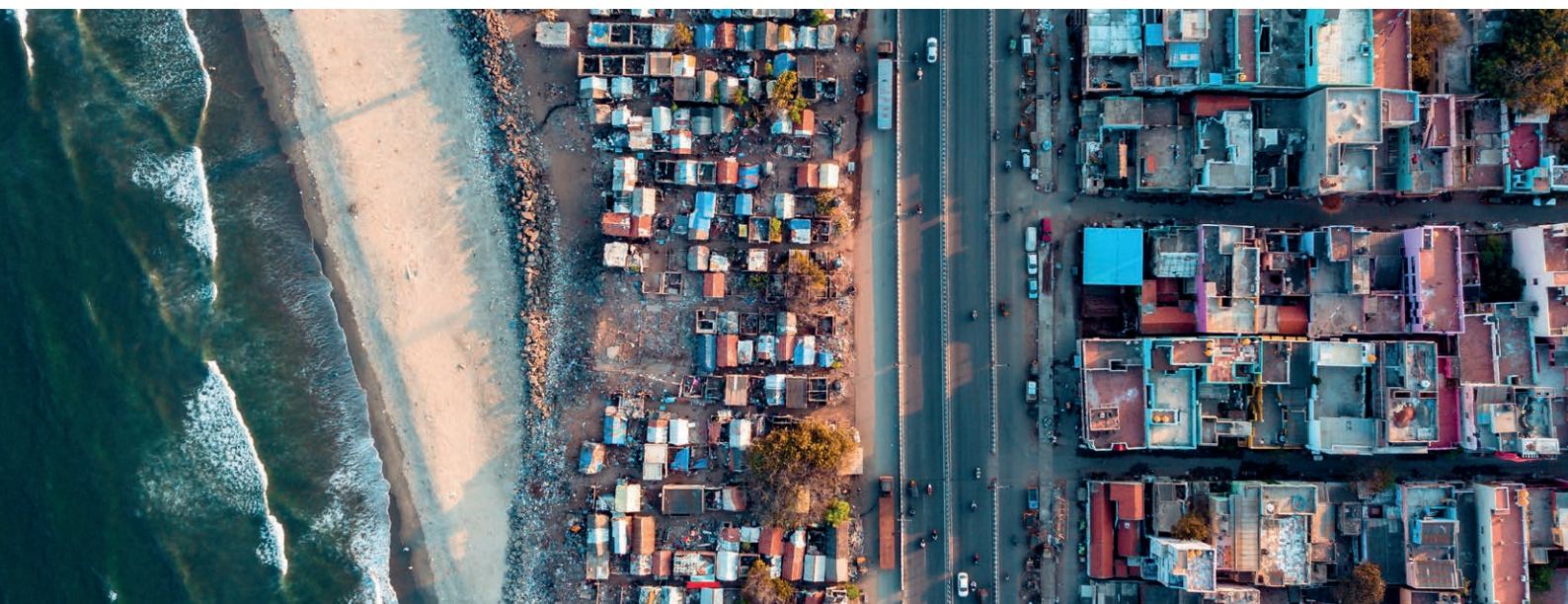
Jurisdictional Assessments (TJAs) in ten participating jurisdictions, representing all major insurance markets.

In June 2021, the IAIS published an [Aggregate Report on the Results of the Holistic Framework Baseline Assessment](#). Overall, the BLA results reflected a high level of observance of supervisory materials and indicated that the 26 participating jurisdictions made good progress in implementing the relevant standards of the Holistic Framework. This progress is particularly positive given that it was achieved in the context of the wider challenges of the global Covid-19 pandemic and the fact that the Holistic Framework was only adopted at the end of 2019.

The second phase of the implementation assessment, the TJAs, was launched in early 2021 with three cycles of questionnaires, each covering different elements of the Holistic Framework supervisory material. This was followed by both desktop and on-site assessments, including in-depth verification of supervisory practices. The IAIS will share the outcomes of the TJAs with the FSB at the end of 2022, including detailed assessment results for each participating supervisory authority and with the general public in early 2023 in the form of a high-level report, including assessment results for each assessed jurisdiction.

#### TJA jurisdictions

Canada; China; China, Hong Kong; France; Germany; Japan; the Netherlands; Switzerland; United Kingdom; United States



# Supervisory cooperation and information exchange

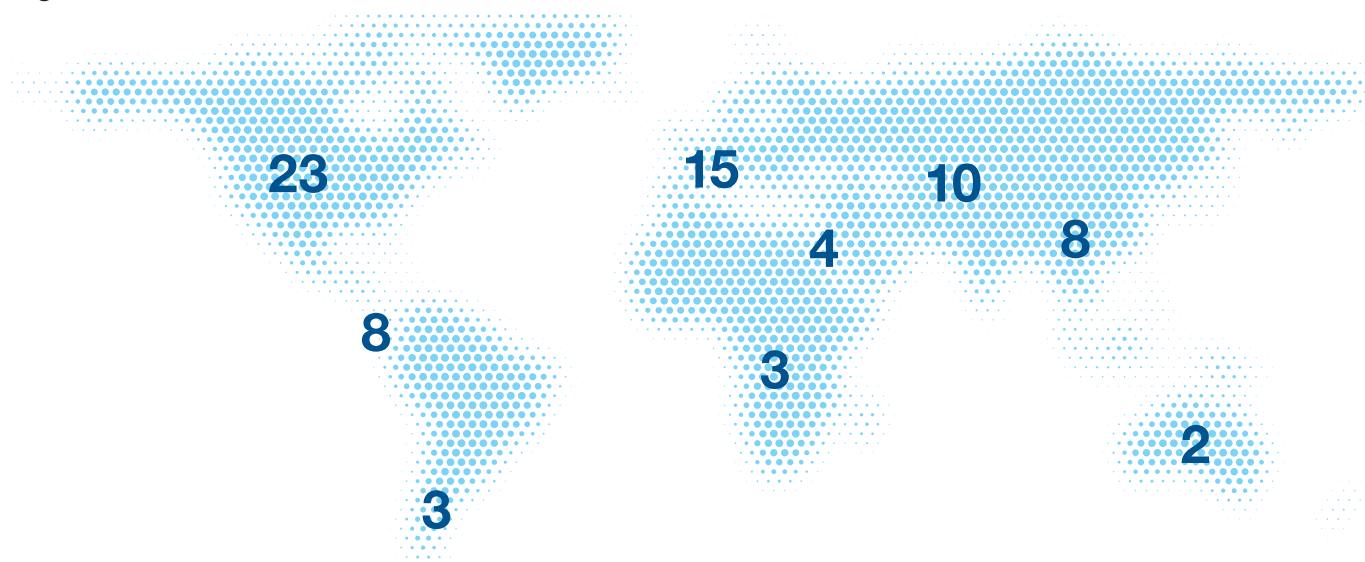
The IAIS Multilateral Memorandum of Understanding (MMoU) is a framework that establishes a formal basis for global cooperation and information exchange amongst insurance supervisors. Before signing the IAIS MMoU, members undergo a rigorous review process. The IAIS' Signatories Working Group manages the application and approval process.

The IAIS continuously engages in efforts to increase the number of signatories to its MMoU. To this end, in 2021, the IAIS revised the MMoU frequently asked questions document, which provides information on

the relevant background, features and procedures. The updated version considers current supervisory material and other relevant developments. Also, it reflects additional insights from the IAIS membership gained since the original version was developed in 2013.

By end-2021, 76 members were signatories to the IAIS MMoU, accounting for over 75% of global gross written insurance premiums, spread across all IAIS member regions.

## Signatories of IAIS MMoU at end-2021



## Capacity building

The IAIS promotes supervisory capacity-building initiatives to address gaps and challenges in the implementation of IAIS standards and encourage good supervisory practices.

Implementation partners, such as the A2ii, FSI and the Toronto Centre, as well as international organisations and regional associations of supervisors, support the IAIS in delivering global supervisory capacity-building programmes for its diverse and global membership. More information about activities in this regard are highlighted in the following A2ii and FSI sections.

Furthermore, supporting members from jurisdictions considered emerging markets and developing economies (EMDE) is central to IAIS capacity-

building efforts. Despite the ongoing challenges of the pandemic, during 2021, the IAIS continued to provide substantial support to EMDE members. This included virtual meetings amongst members and stakeholders on emerging and rising trends, annual joint meetings between the Implementation and Assessment Committee and EMDE members, and targeted consultation on the IAIS work programme and its cross-cutting strategic topics.

Additionally, throughout 2021, relevant information was shared amongst EMDE members to support effective supervisory responses to issues arising from the Covid-19 pandemic. See: [Covid-19 | Access to Insurance Initiative \(a2ii.org\)](#).



# Partnership with the Access to Insurance Initiative



The Access to Insurance Initiative (A2ii) is a multi-stakeholder partnership between the IAIS, international development agencies and donor organisations, including the international development branches of the German (BMZ) and Dutch (DGIS) governments. It acts as the IAIS' key implementation partner on inclusive insurance, working directly with supervisors to deepen their understanding of a supervisor's role in supporting access to- and usage of insurance for low-income and other excluded populations while meeting IAIS standards.

Throughout 2021, the A2ii worked with the IAIS to support capacity-building initiatives for its members and promote the observance of the IAIS supervisory material. By developing new supervisory tools, enhancing training programmes and facilitating virtual dialogues and workshops, the A2ii played an important role in responding to supervisory needs and addressing emerging and rising trends.

## Research Publications

Four research publications were finalised in 2021:

[A2ii policy note: Insurance and the SDGs](#)

[Index insurance – 2020 status and regulatory challenges](#)

[A2ii-AZN report on the inclusive insurance regulatory landscape in the CEET region](#)

[Role of insurance supervisors in boosting women's access to insurance](#)

## New digital supervisory tools

### [Interactive Inclusive Insurance Regulations Map](#)

The A2ii launched its searchable and interactive [Inclusive Insurance Regulations Map](#), a supervisory tool designed to provide insight on the status of inclusive insurance regulation around the globe.

### [Connect.A2ii](#)

A2ii's training and supervisory networking platform [Connect.A2ii](#) launched with the Inclusive Insurance Training Programme and the Actuarial Training for Insurance Supervisors.

### [Supervisory KPIs Lexicon](#)

The interactive and searchable directory of Key Performance Indicators (KPIs) that span the pillars of prudential soundness, market conduct, market development and sustainable development goals (SDGs) was updated in 2021 to enhance its usability.

## Capacity building and supervisory peer-exchange

### [Beema Samiti \(the Nepalese supervisor\)-A2ii-United Nations Capital Development Fund insurance supervisory capacity-building support on inclusive and digital insurance](#)

This [initiative](#) resulted in a one-year action plan setting out how the supervisor will engage with the insurance sector and inclusive insurance consumers to realise fully the benefits of digitalisation.

### [Inclusive Insurance Training for insurance supervisors](#)

The A2ii, together with the IAIS and the Toronto Centre, hosted two Inclusive Insurance Trainings with a special focus on climate and technology. The curriculum included sessions on the role of supervisors in creating an enabling environment for financial inclusion. Supervisors developed action plans to guide them in taking the work forward. Over 50 supervisors from 26 jurisdictions participated in these virtual trainings, one for the Central and Eastern Europe and the Transcaucasian region in July 2021 and the other for Sub-Saharan Africa in October 2021.

### Actuarial Training for Insurance Supervisors

The virtual training Capacity Building for Insurance Supervisors - Leveraging Actuarial Skills was organised jointly by the A2ii, International Actuarial Association and the IAIS. It targeted supervisors from the Sub-Saharan Africa region in August and September 2021. Forty-three participants from 21 jurisdictions took part in this training covering enterprise risk management (ERM) and insurer failure, valuation and actuarial reports, risk-based capital, and reinsurance and contextual issues. After completing the training, participants continued working on their action plans.

### Inclusive Insurance Innovation Lab

The [Inclusive Insurance Innovation Lab \(iii-lab\)](#) saw its second cohort (Argentina, India, Morocco and Rwanda) complete the programme in 2021 and Costa Rica, Grenada, Zambia and Zimbabwe qualify for the next [climate lab](#), the first lab with a thematic focus.

11 November marked the official closing of the second iii-lab. Lasting relationships between key stakeholders from the public and private sector were established and the following prototypes of innovative insurance products presented:

Argentina:

- #mejorconseguros campaign on the importance of insurance for low-income women
- A freemium business model

India:

- Experimental caller tunes campaign
- A combi-product

Morocco:

- A digital health insurance business model using WhatsApp

Rwanda:

- Insurance awareness programmes: an annual insurance week, radio and TV shows and university competitions

### New Connect.A2ii training module: Supervision of climate-related risks in the insurance sector

In 2021, the A2ii, IAIS and SIF partnered to create a [new training module on Connect.A2ii](#) to support supervisors with integrating climate risk considerations into their regulatory frameworks. The training, that is open to all stakeholders, demonstrates how supervisors can work with insurers to highlight climate change impact on businesses and portfolios.

### A2ii-IAIS Dialogues

The A2ii-IAIS Dialogues are bi-monthly thematic webinars for insurance supervisors. The Dialogues are supervisors-only or public, featuring a range of stakeholders. Offered in English, French and Spanish, Dialogue events are scheduled to cater to several time zones. Presentations and recordings are published on the [A2ii website](#).

<b>28 February 2021</b>	Accounting Standards & IFRS 17: The Role of Insurance Supervisors - Supervisory Dialogue.
<b>25 March 2021</b>	Index-based Insurance - Public Dialogue
<b>22 April 2021</b>	Insurance and the Sustainable Development Goals - Public Dialogue
<b>27 May 2021</b>	Women's Access to Insurance - Public Dialogue
<b>8 July 2021</b>	Climate-related Risks in the Insurance Sector - Supervisory Dialogue
<b>30 September 2021</b>	Closing the Health Financial Protection Gap: Expanding Access to Health Insurance in Times of Crisis and Beyond - Public Dialogue
<b>25 November 2021</b>	Pandemic Risk: Opportunities to Improve Insurability - Public Dialogue

# Partnership with the Financial Stability Institute

The IAIS has a long-standing partnership with the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) to advance the implementation of insurance standards at a global scale.

Financial Stability Institute



## FSI Connect and SIOC

2021 saw the release of insurance-specific tutorials covering climate risks and recovery planning on FSI Connect, the FSI's supervisors-only e-learning platform. In addition, the FSI, together with the IAIS, published an [Executive Summary on the Insurance Core Principles](#).

The pilot FSI-IAIS Specialised Insurance Online Course (SIOC), focusing on ComFrame, the Holistic Framework and the ICS, was held from May to June 2021. Fifty participants from 21 jurisdictions completed the course. The SIOC will take place every second year, with the next course scheduled for 2023.

## High-level meetings

In 2021, the IAIS and the FSI collaborated to organise two virtual high-level meetings for the Asian and Latin American insurance supervisors in June and April, respectively and organised jointly with the Latin American Association of Insurance Supervisors (ASSAL) and the Asian Forum of Insurance Regulators (AFIR).

Key topics of discussion included economic perspectives for the global and regional insurance industry, challenges and opportunities faced by supervisors as they adapt to prolonged remote working conditions during the pandemic, regulatory approaches related to climate risks, and the use of artificial intelligence (AI) and machine learning (ML) in the insurance sector.



## Policy implementation publications

As part of the FSI Insights series, the FSI published two papers with insurance sector relevance:

**No. 35** [Humans keeping AI in check – emerging regulatory expectations in the financial sector](#), examined common guiding principles in selected financial regulatory frameworks on AI governance.

**No. 37** [SupTech tools for prudential supervision and their use during the pandemic](#) took stock of 71 SupTech data analytics tools used for prudential supervision in 20 jurisdictions and explored their benefits, risks and implementation challenges.

As part of the FSI Brief series, which provides a structured overview of policy actions by financial sector authorities in response to the Covid-19 pandemic, the first joint IAIS-FSI Brief was published:

**No. 13** [Redefining insurance supervision for the new normal](#).

The FSI also published a second Brief:

**No. 15** [Vaccinating insurers against pandemics – a review of capital requirements for pandemic risk](#).

<b>21 April 2021</b>	5th high-level virtual meeting on global insurance standards and supervisory priorities in the Americas.
<b>9 June 2021</b>	4th Asia-Pacific high-level meeting on Insurance supervision.

## Regional training seminars

The IAIS, FSI and ASSAL co-organised two virtual seminars during 2021.

<b>12 October 2021</b>	Virtual session on cyber resilience.
<b>14 October 2021</b>	Virtual session on climate change in the insurance sector.

# Building connections

Building on connections with our many stakeholders is essential for the IAIS to deliver on its mandate.

Communications and stakeholder engagement efforts create effective two-way dialogue between IAIS members and stakeholders. This allows the IAIS to have a clear picture of emerging risks in the sector, to share information on its activities and perspectives and to provide a platform for international exchange on insurance supervision. Engagement also helps the IAIS to understand market developments and key emerging trends better and ensure that the views of a broad range of stakeholders feed into our work. The pandemic highlighted the importance of effective, transparent and regular engagement, both in developing trust pre-crisis and enabling rapid and coherent action during a crisis.

IAIS communications and stakeholder engagement efforts take several forms: IAIS-hosted events such as our Global Seminar and Annual Conference (our annual milestone events), regular consultation calls, webinars and bilateral meetings, as well as active participation in member- and stakeholder-initiated regional events, international conferences and media interviews. The IAIS also has multiple active communication channels for sharing information in a timely and engaging manner on an ongoing basis. These include the IAIS website and newsletter, as well as the LinkedIn and YouTube pages. To ensure optimal transparency, engagement and knowledge sharing, all key IAIS activities are supported by a dedicated communications plan.

## Milestone events

The Global Seminar and Annual Conference provide a platform for engagement and dialogue with our stakeholders.

In 2021, the virtual setting for the Global Seminar allowed for a more inclusive meeting and attracted a record-breaking attendance of over 500 participants. During the event, discussions focused on the Global Monitoring Exercise (GME) and the impact of Covid-19 on the insurance sector, including some initial insights on lessons learnt from the pandemic.

The 2021 Annual General Meeting (AGM) of members and Annual Conference reached more than 700 “live” attendees. In addition, over 650 replay views of the Annual Conference have been recorded to date. Panel discussions covered findings from the GME on emerging risks in the insurance sector, efforts to address the pandemic protection gap, insurance innovation, and governance and ethics in the use of artificial intelligence. Our post-conference survey recorded a 93% satisfaction rating of good or excellent.

Both milestone events included a live session with Executive Committee (ExCo) members (the Town Hall and ExCo dialogue), which served as a platform to update stakeholders on current projects and activities. Answers to questions from the audience left unanswered during the live event due to lack of time were posted on our website.





IAIS Deputy Secretary General Romain Paserot, IAIS ExCo Chair Vicky Saporta and IAIS Secretary General Jonathan Dixon join the virtual 2021 Annual Conference from BIS meeting room in Basel, Switzerland.

## Stakeholder engagement

IAIS members are frequently engaging with stakeholders in their jurisdictions. We supplement this with a busy stakeholder engagement programme that helps shape our agenda and provides valuable input to our risk assessment and policy work. As we entered the second year of the pandemic, efforts to enhance our engagement with stakeholders continued. Operating in a virtual environment meant we could engage more than ever and reach a wider group of stakeholders. The IAIS Executive Committee Chair and the Secretariat Senior Management Team took part in over 100 engagements during the year, including speaking at stakeholder events, participating in regular meetings with trade associations and attending bilateral meetings with insurers and other stakeholders. As much as possible, videos from such events are shared on LinkedIn to ensure transparency and diffuse key takeaways more broadly.

During 2021, we held six stakeholder consultations and workshops to seek feedback on our work. The meetings covered various issues including liquidity metrics, climate risk, insurer culture, supervisory colleges and the combating of money laundering and terrorist financing. Engagement on key projects such as the Insurance Capital Standard proceeded with participating volunteer groups continuing to help shape this global standard.

In 2021, we maintained virtually our annual joint meeting with the Geneva Association to meet with insurer CEOs and held our second roundtable with Chief Risk Officers from large and Internationally Active Insurance Groups, which provided useful inputs to the GME and the development of the 2022-2023 Roadmap.

## Brand refresh

In 2021, we embarked on a journey to assess the IAIS visual identity. The aim was to enhance the brand to make it as strong as the work we do, modernising the look and feel to more effectively convey the IAIS' organisational identity, mission and values.

In setting out on this project, we were guided by specific objectives:

- Differentiating the IAIS by conveying with the brand the Association's unique role in the financial standard-setting sector;
- Ensuring recognition of the key brand asset – the IAIS logo – more a brand refresh than a reinvention;
- Enabling a consistent and fully integrated visual identity across all communications platforms and materials; and
- Creating efficiencies for the Secretariat by making available standard brand resources and developing practical tools and templates.

The refreshed IAIS brand was launched to the public in March 2022 and is visible in the design of this report. The refreshed visual identity combines a new logo, colour palette, picture style, fonts, icons and unique design elements.

### IAIS logo evolution

2013



2022



## Communication channels

Developing IAIS communication channels beyond events ensures ongoing engagement and keeps members and stakeholders informed of current and upcoming IAIS activities.

In 2021, the IAIS put a strong focus on modernising the look and feel of the overall IAIS brand and particularly its website, as the most widely used communications channel. Simultaneously, work on expanding the IAIS LinkedIn presence to leverage it as a real-time communications channel continued alongside improvements to the newsletter.

### Social media

In 2021, we continued to expand our IAIS [LinkedIn](#) presence to better engage with our audience and deliver news and updates in a timely fashion.

News, events, publications and announcements are now posted consistently on the IAIS LinkedIn page. Partner events and activities are also frequently highlighted. Over the course of 2021, the number of posts increased by over 50%.

The results have been encouraging as we experienced an increase in views of almost 90%, with engagement levels at five times the LinkedIn average. The number of followers also continued to expand, growing by over 60% during 2021.

2022 will see a continued focus on this important communication channel and further enhancements in how we use social media tools to engage with the network of people interested in topics related to insurance supervision.

### IAIS newsletter

The IAIS [newsletter](#) is published about ten times per year. With over 1,600 subscribers, it is a good source of information for both internal and external stakeholders. In 2021 the newsletter was improved based on the feedback received during the 2020 reader survey. To this end, content on the ongoing work of the IAIS has been expanded – the In Focus articles go into more detail on key initiatives and the News section includes more regular updates on our different areas of activity and noteworthy

achievements. Additional sections have also been created to highlight the work of IAIS forums and introduce Secretariat staff members. Subscribe to the newsletter [here](#).

### IAISweb.org

The IAIS [website](#) is a key element of the IAIS' efforts to increase its digital presence and communicate effectively. The website showcases the IAIS and its work comprehensively and concisely for public audiences.

In 2021, a review of the IAIS website was launched to assess opportunities for efficiencies and improvements.

Feedback was gathered from visitors through interviews, usage data, a survey and multiple workshops. Based on the input, work commenced to improve user experience, including developing a more intuitive navigation and direct access to the most frequently used content, a new search function with filtering options for more targeted and relevant results, and better accessibility across multiple devices.

A new content management system was selected to simplify the back-office and make it easier to keep the website up-to-date. The overall design followed

the new IAIS brand style guidelines for a fresh and aligned look and feel. In parallel, website hosting and maintenance were migrated to a new partner. The updated website was launched to the public in March 2022.

As a next step, the IAIS members' extranet will also be reviewed and upgraded to improve overall user experience.

## IAIS Year in Review

Starting with the reporting period from January to December 2021, the IAIS is replacing the previous Annual Report with two new formats and an updated publication timeline. To publish earlier in the year, the financials have been decoupled from the editorial content. As of 2022, the IAIS will publish:

- An "IAIS Year in Review" in quarter two of each calendar year. The Year in Review will share all editorial content from the prior calendar year, allowing for more timely and relevant reporting; and
- An "IAIS Annual Financial Report" in quarter four of each calendar year, following adoption at the AGM of members, as stipulated in the by-laws.



# A look ahead: 2022-2023 Roadmap

The Roadmap outlines the projects and activities that form the IAIS' work programme for a two-year period, guided by the IAIS' Strategic Plan 2020-2024. The Roadmap sets out progress made in the IAIS' strategic pivot from policy development to a stronger focus on financial stability issues and implementation support and assessment, while addressing the risks and maximising the opportunities of a rapidly changing insurance sector.

<p><b>HLG 1</b> Assessing and responding to market developments</p>	<p>Ongoing monitoring of risks through the <b>Global Monitoring Exercise (GME)</b>, including:</p> <ul style="list-style-type: none"> <li>• Finalisation of liquidity metrics as an ancillary indicator; and</li> <li>• Integration of climate-related risk into the GME.</li> </ul>	<p><b>2022 GIMAR special topic edition</b> on the potential financial stability impact of cyber risk.</p>	<p><b>Comprehensive report</b> for the FSB on the first three years of implementation of the <b>Holistic Framework</b>.</p>
<p><b>HLG 2</b> Standard setting</p>	<p>Ongoing <b>monitoring of the Insurance Capital Standard (ICS)</b>, including consideration of whether there should be a differentiated treatment of investments in infrastructure and strategic equity in the ICS standard method.</p>	<p>Consultation on and finalisation of criteria to assess whether the <b>Aggregation Method</b> provides comparable outcomes to the ICS.</p>	<p><b>Review of ICP 14 (Valuation) and ICP 17 (Capital Adequacy)</b> for adoption by the end of the ICS monitoring period.</p>
<p><b>HLG 3</b> Supervisory practices</p>	<p>On <b>digital transformation</b>, the FinTech Forum will continue deep-dive analysis on artificial intelligence and machine learning; application programming interfaces and open data; and distributed ledger technologies and blockchain.</p> <p>The IAIS will also progress a note on the use of innovative technologies in supervision (SupTech).</p>	<p>Issues Paper on <b>operational resilience</b>, focused on IT outsourcing and cyber resilience.</p> <p>Initiatives to address <b>climate risk</b>, including on good practices for climate risk scenario analysis and gap analysis of IAIS supervisory material (in addition to integration of climate-related data into GME).</p>	<p><b>Culture and conduct</b> - Public note on use of key indicators to monitor conduct risks. Exploratory work on remuneration issues in the insurance sector.</p> <p>Stocktake of <b>diversity, equity &amp; inclusion</b> initiatives currently underway and assessment of possible future work related to insurers' governance.</p> <p><b>Other areas:</b></p> <ul style="list-style-type: none"> <li>• Resolution</li> <li>• Audit and Accounting</li> <li>• Establishment of a Financial Crime Forum</li> <li>• Retirement and Income Pensions Forum</li> <li>• Financial inclusion</li> </ul>
<p><b>HLG 4</b> Observance of standards</p>	<p><b>Targeted Jurisdictional Assessment</b> of Holistic Framework supervisory material in ten jurisdictions.</p> <p>Completion of <b>Member Assessment Programme (MAP)</b> for Mexico, and commencement of MAP for Albania.</p>	<p>Completion of <b>Peer Review Process (PRP)</b> on ICP 9 (Supervisory Review and Reporting) and ICP 10 (Preventive Measures, Corrective Measures and Sanctions). Commencement of PRP on ICP 16 (Enterprise Risk Management for Solvency Purposes).</p>	<p>Preparation for <b>implementation assessment of ComFrame</b> in 2022, ahead of the practical assessment activities in 2023.</p> <p><b>Other areas:</b></p> <ul style="list-style-type: none"> <li>• Training and peer exchange</li> <li>• Implementation of risk-based solvency for emerging markets</li> <li>• Multilateral Memorandum of Understanding</li> <li>• Reshaping the IAIS Supervisory Forum</li> </ul>
<ul style="list-style-type: none"> <li>• Brand and website refresh</li> <li>• Stakeholder engagement</li> <li>• Communications</li> </ul>	<p><b>HLG 5</b> Effective operations and transparency</p>	<ul style="list-style-type: none"> <li>• Environmental policy</li> <li>• Internal DE&amp;I activities</li> <li>• Risk management</li> </ul>	



# IAIS 2021 in numbers

## Published

### 6 Application Papers

- Application Paper on Combating Money Laundering and Terrorist Financing
- Application Paper on Macroprudential Supervision
- Application Paper on the Supervision of Climate-related Risks in the Insurance Sector
- Application Paper on Supervision of Control Functions
- Application Paper on Supervisory Colleges
- Application Paper on Resolution Powers and Planning

### 1 Issues Paper

- Issues Paper on Insurer Culture

### 5 Reports

- GIMAR
- GIMAR special topic edition on climate change
- Aggregate Report on PRP for ICP 19 – Conduct of Business
- Aggregate Report on the Results of the Holistic Framework Baseline Assessment
- IAIS-FSI note on redefining insurance supervision in the new normal

### 4 Risk dashboards of financial markets

## Engaged

### 28th AGM/AC

- +700 attendees

### Global Seminar

- +500 attendees

### 2nd CRO Roundtable

### 14 Stakeholder consultations and workshops

### Participated in +119 external speaking engagements

### 30 Supervisors involved in the GME feedback loop

### 2 GME workshops

- 2x +100 participants from insurance groups and supervisors

## Communicated

### 7 Press releases

### 3 Statements

### 9 Newsletters

### 2020 Annual Report

### +1,600 Newsletter subscribers

### 143 LinkedIn posts

### 3324 LinkedIn followers (increased by +60%)

## Supported

### 2 IAIS-A2ii Supervisory Dialogues on

- Accounting Standards & IFRS 17: The Role of Insurance Supervisors
- Climate-related Risks in the Insurance Sector

### 5 IAIS-A2ii Public Dialogues on

- Index-based Insurance
- Insurance and the Sustainable Development Goals
- Women's Access to Insurance
- Closing the Health Financial Protection Gap: Expanding Access to Health Insurance in Times of Crisis and Beyond
- Pandemic Risk: Opportunities to Improve Insurability

### New connect.A2ii training module on supervision of climate-related risks in the insurance sector

### 2 IAIS-FSI virtual high-level meetings

### 2 IAIS-FSI virtual seminars on

- Climate change in the insurance sector
- Cyber resilience

### Co-launched Climate Training Alliance

## Launched

### 6 Public consultations

### 2 Member surveys

### 2 MAPs

- Mexico (in final stages)
- Albania (started)

### Climate Risk Steering Group

### 2 Forums

- Retirement Income and Pensions Forum
- Financial Inclusion Forum

### TJA of the Holistic Framework's supervisory material

### PRP on ICPs 9 and 10

### Completed first full GME, involving

- ~ 60 of the largest insurance groups globally; and
- ~ 30 insurance supervisors, covering 90% of global GWP

### Second year of monitoring of the global ICS

# Appendices

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Distinguished Fellows 2021

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IAIS Environmental Policy  
Report 2021

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Executive Committee  
Members

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IAIS Secretariat Staff

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IAIS Organisational  
Structure

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Acronyms



# Distinguished Fellows 2021

The IAIS Distinguished Fellows programme honours former member representatives for their dedication and significant involvement in IAIS activities. It is the IAIS' way of paying tribute to those who have gone above and beyond in contributing their time and expertise to advance the IAIS mission. Honourees are nominated and approved by their peers.



**Gabriel Bernardino**

Formerly Chair of the European Insurance and Occupational Pensions Authority (EIOPA)

Gabriel Bernardino was a long serving member of the IAIS Executive Committee, serving from 2010-2021. In his position as Chairman of EIOPA, Gabriel was a committed supporter of the IAIS and its activities, particularly supporting the strengthening of the role of the IAIS as a credible and globally recognised standard setter. He also played a pivotal role in the

achievement of key compromises on crucial areas such as the ICPs, ComFrame, the ICS and the Holistic Framework. In addition, Gabriel helped to shape the future strategic direction and activities of the IAIS via his active participation on the IAIS Executive Committee as well as his membership of the Strategic Plan and Financial Outlook Task Force.



**Hern Shin Ho**

Formerly Assistant Managing Director of Banking & Insurance of the Monetary Authority of Singapore (MAS)

Hern Shin Ho served as a member of the IAIS Executive Committee from June 2017 to May 2021. Over these nearly four years, she made substantial contributions to the work of the IAIS in a number of positions, including as a member of the Audit and Risk Committee, the Insurance Capital Standard and

Comparability Task Force, the Selection Committee and the Strategic Plan and Financial Outlook Task Force. Hern Shin also served as the inaugural Executive Committee FinTech Champion. She was a highly sought after panellist and moderator at numerous IAIS Annual Conferences and other events.

# IAIS Environmental Policy Report 2021

In December 2020, the IAIS published an Environmental Policy, guiding the IAIS' own performance on environmental issues. The underlying goal is to promote sustainable behaviours and reduce the overall carbon footprint of the Association. The IAIS also committed to reporting annually on progress made with respect to the objectives and targets set in its Environmental Policy.



The Environmental Policy covers the following key areas of IAIS activities:

- The frequency of meetings and events, as well as the associated logistics – a target was set to reduce the overall carbon footprint of travel associated with in-person meetings and events of the IAIS by 25% by end-2024;
- Secretariat travel – a similar target was set to reduce the annual carbon footprint of Secretariat travel by 25% including a commitment to offset all of the remaining carbon emissions; and
- Working practices – the commitment to monitor the volume of paper printouts and to cooperate with the BIS on further initiatives to limit the environmental impact of working practices.

The 25% reduction targets should be reached by the end of the period 2021-2024, with 2019 as the baseline<sup>1</sup>.

Due to the Covid-19 pandemic and associated limitations on international travel, it will not come as a surprise that the IAIS exceeded all of these targets in 2021. The IAIS did not organise any in-person (sub)committee meetings or events and there was limited Secretariat travel. For the travel that did go ahead in 2021, the associated carbon emissions were offset through dedicated carbon offsetting projects.

The remote working environment also provided an opportunity to reevaluate certain behaviours, for instance around printing, which will further shape how we work as we gradually return to the office.



The Swiss climate protection organisation myclimate confirms that

## IAIS International Association of Insurance Supervisors

has made a sustainable contribution to voluntary climate protection by offsetting the following quantity of CO<sub>2</sub> in high quality myclimate carbon offset projects.

Quantity CO<sub>2</sub>:  
**39.93 t**

**Flight compensation 2020 & 2021**

<sup>1</sup> The IAIS will regularly review its performance relative to the quantitative targets and, as part of a mid-term review point in late-2022, will explore the possibility of further reducing its carbon footprint targets.

# Executive Committee Members

## Executive Committee Members as of November 2021

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### Victoria (Vicky) Saporta

[United Kingdom](#)

Prudential Regulatory Authority (PRA),  
Bank of England (BoE)  
Chair

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### David Altmaier

[United States](#)

Florida Office of Insurance Regulation  
Vice Chair

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### Norio Hida

[Japan](#)

Financial Services Agency (FSA)  
Vice Chair  
Chair, ARC

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### Suzette Vogelsang

[South Africa](#)

Prudential Authority  
Vice Chair

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### Ryan Workman (ex officio)

[United States](#)

National Association of Insurance Commissioners (NAIC)  
Chair, BC

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### Peter Braumüller (ex officio)

[Austria](#)

Financial Market Authority (FMA)  
Chair, IAC

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### Dieter Hendrickx (ex-officio)

[Belgium](#)

National Bank of Belgium (NBB)  
Chair, MPC

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### Gary Anderson

[United States](#)

Massachusetts Division of Insurance  
Chair, PDC

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### Aznan Abdul Aziz

[Malaysia](#)

Bank Negara Malaysia

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### Clement Cheung

[China, Hong Kong](#)

Insurance Authority (IA)

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### Gorazd Cibej

[Slovenia](#)

Insurance Supervision Agency

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### Michael Consedine

[United States](#)

National Association of Insurance Commissioners (NAIC)

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### Alberto Corinti

[Italy](#)

Istituto per la Vigilanza sulle Assicurazioni (IVASS)

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### Kevin Cowan

[Chile](#)

Comisión para el Mercado Financiero (CMF)

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### Gerry Cross

[Ireland](#)

Central Bank of Ireland

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### Bernard Dupont

[Canada](#)

Office of the Superintendent of  
Financial Institutions (OSFI)

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### Raymond Farmer

[United States](#)

South Carolina Department of Insurance

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### Frank Grund

[Germany](#)

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

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### Petra Hielkema

European Insurance and Occupational  
Pensions Authority (EIOPA)  
FinTech Champion

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**Jean Hilgers (non-voting)**

[Belgium](#)

National Bank of Belgium (NBB)

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**Carlos Izaguirre**

[Peru](#)

Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones del Peru

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**Godfrey Kiptum**

[Kenya](#)

Insurance Regulatory Authority

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**Marcus Lim**

[Singapore](#)

Monetary Authority of Singapore (MAS)

---

**Andrew Mais**

[United States](#)

Connecticut Department of Insurance

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**William Mason**

[Guernsey](#)

Financial Services Commission (GFSC)

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**Didier Millerot (non-voting)**

European Commission

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**Patrick Montagner**

[France](#)

Autorité de Contrôle Prudentiel et de Résolution (ACPR)  
(Prudential Supervision and Resolution Authority)

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**Ricardo Ochoa**

[Mexico](#)

Comision Nacional de Seguros y Fianzas

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Autorité de Contrôle des Assurances et de la Prévoyance Sociale (ACAPS)

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**Helen Rowell**

[Australia](#)

Australian Prudential Regulation Authority (APRA)  
DE&I Champion

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**Birgit Rutishauser**

[Switzerland](#)

Swiss Financial Market Supervisory Authority (FINMA)

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[United States](#)

Federal Insurance Office of the United States  
Department of Treasury (FIO)

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**Thomas Sullivan (non-voting)**

[United States](#)

Board of Governors of the Federal Reserve System (FRB)

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**Craig Swan**

[Bermuda](#)

Bermuda Monetary Authority (BMA)

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**Hae-Hwan Yang**

[Korea \(Republic of\)](#)

Financial Supervisory Service (FSS) &  
Financial Services Commission (FSC)

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**Ebrahim Obaid Al Zaabi**

[United Arab Emirates](#)

Insurance Authority

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**Ante Zigman**

[Croatia \(Republic of\)](#)

Croatian Financial Services Supervisory Agency

# IAIS Secretariat Staff

## Jonathan Dixon

Secretary General

## Anna Aubel

Administrative Officer  
(Date left: December 2021)

## Farzana Badat

Senior Policy Adviser  
(Date left: November 2021)

## Joao Carneiro

Finance Officer

## Miho Chen\*

Policy Adviser  
(Date joined: September 2021)

## Melanie Clowes-Haug

Senior Policy Adviser (Communications)

## Thomas Collins\*

Visiting Associate  
(June-December 2021)

## Nicolas Colpaert

Senior Policy Adviser

## Aurélien Cosma

Senior Policy Adviser

## Rogier Derksen

Senior Policy Adviser

## Conor Donaldson

Head of Implementation  
(Date left: July 2021)

## Malene Duncan

Senior Policy Adviser (Legal)

## Becky Easland

Senior Policy Adviser

## Lauren Eckermann

Senior Policy Adviser  
(Date joined: December 2021)

## Sylvie Ellet

Administrative Officer

## Natalia Escobar

Senior Policy Adviser  
(Date left: December 2021)

## Elisa Frost

Project and Change Manager

## Fabian Garavito

Senior Policy Adviser  
(Date joined: October 2021)

## Ruby Garg

Senior Policy Adviser (Risk Officer)  
(Date joined: January 2021)

## Alistair Gough

Senior Policy Adviser

## Martin Hahn

Senior Policy Adviser

## Selina Keng\*

Policy Adviser

## Grzegorz Komarnicki

Senior Policy Adviser

## Malou Lenoir

Events and Communications Officer  
(Date joined: December 2021)

## Carlos Lopez Moreira

Senior Policy Adviser  
(Date joined: December 2021)

## Jay Muska

Senior Policy Adviser

## Akiko Nakamura\*

Policy Adviser  
(Date left: May 2021)

## Carine Notter

Technical Administrator / IT Projects

## Yasuaki Ohara\*

Policy Adviser

## Aurelie Landauer Ostermann

Administrative Officer  
(Date joined: August 2021)

## Romain Paserot

Deputy Secretary General and  
Head of Capital & Solvency

## Danita Pattermore

Deputy Head of Capital & Solvency

## Joe Perry

Senior Policy Adviser (Stakeholder  
Engagement and Institutional  
Cooperation)

## Joanna Rakowska\*

Visiting Associate  
(October-November 2021)

## Gemma Schneider

Administrative Officer

## Alka Sharma

Administrative Officer

## Zoe Smoke

Administrative Officer

## Tomas Stastny

Senior Policy Adviser

## Hanne van Voorden

Head of Supervisory Practices  
and Operations

## Pierre-Jean Vouette

Senior Policy Adviser

## Tom Wicling

Senior Policy Adviser  
(Date joined: May 2021)

## Jun Zhang\*

Policy Adviser  
(Date left: June 2021)

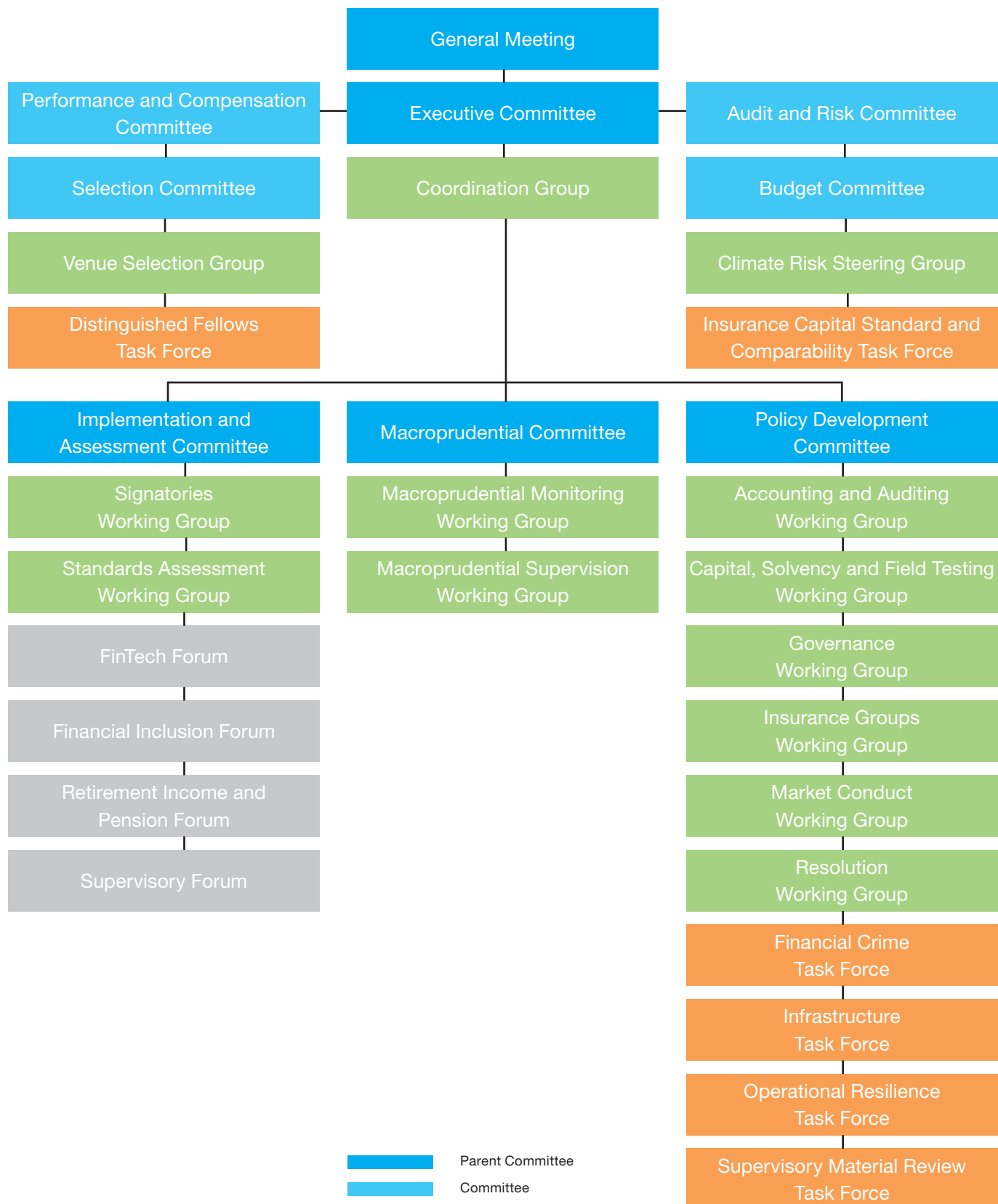
## Manuela Zweimueller

Head of Implementation  
and Assessment

Staff not financed by the IAIS  
indicated by an asterisk (\*)



# IAIS Organisational Structure



- Parent Committee
- Committee
- Working Group
- Task Force
- Forum

You can see the current structure on the [IAIS website](#).

# Acronyms

A2ii	Access to Insurance Initiative	IAC	Implementation and Assessment Committee
AFIR	Asian Forum of Insurance Regulators	IAIG	Internationally Active Insurance Group
AGM	Annual General Meeting	IAIS	International Association of Insurance Supervisors
AI	Artificial intelligence	ICP	Insurance Core Principle
AM	Aggregation Method	ICS	Insurance Capital Standard
API	Application programming interfaces	iii-lab	Inclusive Insurance Innovation Lab
ASSAL	Latin American Association of Insurance Supervisors	KPI	Key performance indicator
BIS	Bank for International Settlements	LIBOR	London Inter-bank Offered Rate
BLA	Baseline assessment	MAP	Member Assessment Programme
CGAP	Consultative Group to Assist the Poor	ML	Machine learning
CIF	Coordinated Implementation Framework	MMoU	Multilateral Memorandum of Understanding
ComFrame	Common Framework for the Supervision of Internationally Active Insurance Groups	MPC	Macroprudential Committee
CRSG	Climate Risk Steering Group	NGFS	Network for Greening the Financial System
CTA	Climate Training Alliance	ORTF	Operational Resilience Task Force
DE&I	Diversity, equity and inclusion	PCR	Prescribed Capital Requirement
DLT	Distributed ledger technologies	PDC	Policy Development Committee
EMDE	Emerging market and developing economy	PE	Private equity
ExCo	Executive Committee	PRP	Peer Review Process
FAQ	Frequently asked questions	RIPF	Retirement Income and Pensions Forum
FATF	Financial Action Task Force	SAT	Self-Assessment Tool
FIF	Financial Inclusion Forum	SDG	Sustainable Development Goal
FSB	Financial Stability Board	SIF	Sustainable Insurance Forum
FSI	Financial Stability Institute	SIOC	Specialised Insurance Online Course
G20	Group of 20	TCFD	Task Force on Climate-related Financial Disclosures
GIMAR	Global Insurance Market Report	TJA	Targeted Jurisdictional Assessment
GME	Global Monitoring Exercise	UNSGSA	United Nations Secretary General's Special Advocate for Inclusive Finance for Development
GPFI	Global Partnership for Financial Inclusion		
G-SII	Global Systemically Important Insurer		
GWS	Group-wide supervisor		
HLG	High-level goal		
Holistic Framework	Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector		

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