



# Newsletter

## From the Secretary General



After a pause in the frequency of IAIS meetings over the European summer, we now look ahead to the second half of the year. In particular, we look forward to an important event in the IAIS calendar and a key element of the IAIS strategic planning cycle: the Executive Committee (ExCo)

### Strategic Retreat.

The Strategic Retreat convenes ExCo members for a two-day on-site meeting in Basel. This year's retreat will be particularly distinctive in that it will be dedicated to initial discussions of the IAIS' next Strategic Plan, covering the upcoming five-year period from 2025-2029.

Significant background work has been undertaken to collect feedback from IAIS members and stakeholders over the past few months. With all this input in hand, we can best ensure that we develop an inclusive Strategic Plan and Financial Outlook (SPFO) that adequately captures the key risks, trends and challenges facing the sector and supervisors and sets out a path for the IAIS to best support its members and collaborate with stakeholders to meet these challenges.

From our stakeholders, we received valuable insights into the industry view of risks and trends on the horizon; these indicated that climate-related risk, financial inclusion, operational resilience and cyber risk will continue to be important issues for industry and supervisors. There was strong support for the IAIS to continue its work on monitoring and assessing key risks and trends. Stakeholder responses also indicated that there can never be enough engagement – across the spectrum of IAIS activities – and stressed the value of IAIS events, annual publications and supporting materials. I was pleased to read that this newsletter was also identified as a useful medium for engagement.

Our members indicated that the core functions of the IAIS (monitoring key risks and trends, standard setting, implementation assessment and sharing of good supervisory practices) remain relevant in the coming period, albeit our emphasis and the specific activities we focus on will shift over the next five years.

We have assembled an SPFO Task Force, comprised of ExCo members, to help us consider this input and shape it into a draft Strategic Plan. At the Annual Conference in November, we intend to provide a high-level overview of the key elements.

Thank you to IAIS members and stakeholders who took the time to provide input and engage in the many helpful discussions. This is an exciting time for the insurance sector as it is called upon to help build resilience to a number of critical societal challenges. Through our robust and inclusive planning process, I feel confident the IAIS will be well placed to equip our members with the insights and tools they need in these rapidly changing times.

Jonathan Dixon, Secretary General

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## Calendar Notes

**[REGISTER NOW](#)** for the upcoming IAIS committee meetings, AGM and Annual Conference taking place 6-10 November in Tokyo.

IAIS members are invited to register using the following [link](#). (login required)

# In Focus

## IAIS publishes preview of 2023 Global Monitoring Exercise results

On 13 July, the IAIS released a mid-year update of its **Global Insurance Market Report (GIMAR)**, offering a glimpse into the interim findings of the **2023 Global Monitoring Exercise (GME)**.



The [mid-year update](#) highlights the insurance sector financial stability topics analysed in the GME and discussed at the IAIS committee meetings and Global Seminar held in June, while setting the stage for the comprehensive GIMAR release later this year.

It presents preliminary statistics on solvency, profitability, liquidity, and aggregate systemic risk scores and delves into the insurance sector's interconnectedness with banks. Two major themes are outlined for the 2023 GME: risks faced by insurers in a challenging macroeconomic environment and structural shifts in the life insurance sector.

### Solvency, liquidity, and profitability

The aggregate solvency, liquidity and profitability of participating insurers showed a slight decline from year-end 2021 to year-end 2022 while maintaining a level well above 100%. Factors contributing to this decline include lower asset valuations, increased interest rate volatility and weaker currencies in some regions. The 2023 GIMAR will provide a more detailed breakdown by region and business model.

### Systemic risk assessment

Aggregate systemic risk scores for insurers participating in the 2020-2023 GME declined slightly at year-end 2022 compared to 2021 data. Factors driving this decline included changes in short-term funding, liability liquidity, guarantees on variable products, and intra-financial assets. The upcoming GIMAR will offer a deeper understanding of these systemic risk indicators and a comparison to the banking sector.

### Interconnectedness with banks

The interim 2023 GME analysis suggests no immediate significant impact on the insurance sector from recent banking sector failures. However, the report emphasises the importance of monitoring potential second-round effects, acknowledging the vital role of banks in the broader financial system and real economy.

### About the GME

Through the [GME](#), the IAIS monitors global insurance market trends and developments, detects the possible build-up of systemic risk and facilitates a collective discussion on the appropriate supervisory response at sectoral and individual insurer levels. It builds on data collected from approximately 60 of the largest international insurance groups and aggregate sector-wide data from supervisors covering over 90% of global written premiums.

## Key themes in the 2023 GME

### **Managing risk in a challenging macroeconomic landscape**

The report underscores the challenges of high inflation rates and increased interest rates in many regions. It focuses on insurers' management of interest rate, credit, and liquidity risks in this complex macroeconomic environment. The GIMAR will look at the lessons learnt, future outlook, vulnerabilities and measures taken by insurers and supervisors to address these risks.

### **Structural changes in the life insurance sector**

The life insurance industry is undergoing significant shifts, particularly in cross-border asset-intensive reinsurance and the allocation of capital to alternative assets. The GIMAR will examine the implications of these changes on financial stability, including risks associated with alternative investments and the associated supervisory responses.

## What's next?

The full 2023 GIMAR will be released later this year, offering a comprehensive analysis of systemic risk developments in the insurance sector and how these compare to banking. It will provide insights into solvency, profitability and liquidity positions, and elaborate further on the key themes presented in the mid-year update. Insurance supervisors from across the globe will discuss these findings in greater detail in September.

To access the report, please click [here](#).

To access the press release, please click [here](#).

For more information contact Nicolas Colpaert at [nicolas.colpaert@bis.org](mailto:nicolas.colpaert@bis.org).

“This mid-year update provides interim results of the 2023 GME, as well as a preview of the themes in scope for the deep-dive discussion global supervisors will hold at the September IAIS meetings .”

- Vicky Saporta, ExCo Chair



# News

## IMPLEMENTATION

### Detailed assessment of observance of the IAIS ICPs in Albania



The IAIS has published a detailed assessment of observance of the IAIS Insurance Core Principles (ICPs) in Albania through its Member Assessment Programme (MAP). The regulatory and supervisory framework of Albania is assessed as having a high level of observance of the ICPs.

IAIS assessment activities aim to demonstrate across the IAIS' full membership the implementation of the ICPs. The ICPs provide the globally accepted framework of standards for the supervision of the insurance sector.

The MAP is an in-depth assessment of one member's implementation of all current ICPs, including a review of the legal structure and jurisdictional regulations as well as supervisory policies and practices using an evidence-based approach.

A MAP aims to strengthen and support the jurisdiction's insurance supervisory regime to maintain a high level of insurance supervision. A MAP can act as a positive change agent within the jurisdiction, particularly amongst policymakers, and can help contribute to globally consistent insurance supervision, helping ensure better protection for policyholders and enhancing financial stability.

The [MAP Albania report](#) is a detailed assessment of regulation and supervision of the insurance sector in Albania. To inform the assessment, meetings were held in Tirana with the Albanian Financial Supervisory Authority, government officials, industry (insurers and intermediaries), and industry associations and professional bodies.

The report contains the details of the assessment of the observance levels of the ICPs as well as distinct recommendations to improve observance levels of ICPs. It also includes the authority's response to the assessment as well as an institutional and market overview.

The regulatory and supervisory framework of Albania is assessed as having a high level of observance of the ICPs. A large majority of the ICPs are assessed as either Observed or Largely Observed.

To learn more about the IAIS' comprehensive assessment activities, visit our [website](#) and, in case of particular interest in the MAPs, please contact Manuela Zweimueller at [manuela.zweimueller@bis.org](mailto:manuela.zweimueller@bis.org).

## EVENTS

### Registration opens for upcoming IAIS Annual Conference



Registration for the [2023 IAIS AGM, Annual Conference and committee meetings](#) is now open. The event will take place in person on 6-10 November 2023 in Tokyo, Japan. We encourage interested participants to register early, and before the registration deadline of 17 October.

- Stakeholders are invited to register via our [website](#).
- IAIS members should register via the extranet at this [link](#) (login required).

The IAIS would like to warmly thank the [Financial Services Agency of Japan \(JFSA\)](#) for hosting the event. We look forward to welcoming participants in Tokyo for a full week of meetings and events.

For more information contact Malou Lenoir at [IAIS.Events@bis.org](mailto:IAIS.Events@bis.org).

## AUDITING AND ACCOUNTING

## IAIS publishes comment letters to the IAASB and ISSB consultations

The IAIS has recently submitted its feedback on consultations issued by two major international standards setting boards.

The IAIS provided input to the International Auditing and Assurance Standards Board (IAASB) regarding the proposed revision of the International Standard on Auditing (ISA) “Going Concern” (ISA 570). The IAIS expressed its support for the IAASB’s suggested changes to ISA 570. Going concern is an important audit issue, particularly in light of recent instances involving the failure of corporate and financial institutions worldwide.

To read the full comment letter, please follow this [link](#).

The IAIS also issued a comment letter pertaining to the International Sustainability Standards Board (ISSB) agenda priorities for the upcoming two-year term beginning in 2024. The comment letter outlines suggestions on areas where the ISSB can focus its efforts. These include: focusing on implementation of the climate standards, ensuring there is a strong linkage between climate disclosures and financial reporting disclosures, supporting consistent implementation of IFRS S1 and IFRS S2, addressing barriers to broad adoption of ISSB standards, and to consider developing ISSB disclosures for smaller non-listed entities.

For more details, access the complete comment letter through this [link](#).

For more information, visit the IAIS [website](#) or contact Lydia Kimumwe at [lydia.kimumwe@bis.org](mailto:lydia.kimumwe@bis.org).

## MEMBERSHIP

## The IAIS welcomes two new MMoU signatories

The IAIS is pleased to welcome the Insurance Commission of the Bahamas and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market as members of the IAIS Multilateral Memorandum of Understanding (MMoU) – an international supervisory cooperation and information exchange agreement.

Through the accession of these two new signatories, IAIS members will be able to further enhance financial stability and the sound supervision of cross-border insurers by exchanging relevant information and assisting other signatories with membership in the IAIS MMoU.

The IAIS MMoU provides a global framework of compliance and confidentiality to allow for open cooperation and exchange between insurance supervisors. Since the first jurisdiction was admitted in June 2009, the number of members has grown significantly, now representing three-quarters of global gross written premiums.

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

For more information contact Miho Chen at [miho.chen@bis.org](mailto:miho.chen@bis.org).

## Consultations

The deadline is approaching for the following public consultations:

- [Insurance Capital Standard](#) (ICS) as a prescribed capital requirement
- [Insurance Core Principle 14](#) (Valuation)
- [Insurance Core Principle 17](#) (Capital Adequacy)

Consultation responses are invited by **21 September at 24:00** (CEST)

Together, these principles and standards are aimed to support policyholder protection and global financial stability. The consultation on ICS – a consolidated, group-wide capital standard that will apply to Internationally Active Insurance Groups (IAIGs) – is the final one before the planned adoption of the standard end-2024.



Watch the replay and view the slides of the background presentation and Q&A session with stakeholders [here](#).

# Event Spotlight

## GDV conference on insurance regulation | Berlin | 4 July

Romain Paserot, the Deputy Secretary General, participated in a panel at the German Gesamtverband der Versicherer (GDV) conference, which discussed “The 2020s, New risks on the horizon.” Moderated by the GDV CEO, Jörg Asmussen, the panel brought together academic, business and regulatory perspectives. Romain Paserot notably provided an update on the Global Monitoring Exercise outcomes.

For more information contact Romain Paserot at [romain.paserot@bis.org](mailto:romain.paserot@bis.org).

## Public discussion session on Stakeholder Engagement and Consultation Policy | Virtual | 5 July

The IAIS hosted a virtual background session on 5 July to discuss its [consultation](#) on the creation of a new Stakeholder Engagement and Consultation Policy SECP.

The draft SECP makes clear that stakeholder engagement is an integral part of what we do as a standard setter. The policy builds on a solid foundation of established stakeholder engagement but recognises that to reach a wider range of stakeholders, it is important that the IAIS continues to innovate in the way it engages. The policy is focused on ensuring that the IAIS can engage with a diverse range of stakeholders that have equal access to the IAIS, and that conflicts of interest are avoided.

The consultation closed on 20 August. The IAIS will now consider all of the responses and will publish a final version later this year.

For more information contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

### Replay



To view the recording and presentation slides from the SECP public discussion session, click [here](#).

## GIICS Annual Seminar and Annual General Meeting | London, UK | 5-6 July



The Group of International Insurance Centre Supervisors (GIICS) hosted an Annual Seminar in London to present and discuss IAIS implementation assessment activities. The IAIS was represented by the IAIS Standards Assessment Working Group Chair, Katherine Jane (Director at the Guernsey Financial Services Commission) and Manuela Zweimueller, Head of Implementation.

The focus was predominantly on the IAIS Peer Review Process (PRP), and the upcoming peer review on Insurance Core Principle (ICP) 16 (Enterprise Risk Management for Solvency Purposes), the Member Assessment Programme (MAP), the Access to Insurance (A2ii) Self-assessment Tool (SAT), and capacity building initiatives.

Further topics on the GIICS Annual Seminar’s agenda were evolving cyber security risks, natural catastrophe (re)insurance and protection gaps, major liquidity events, claims management, current and future regulatory trends (including conduct supervision), international cooperation, the wholesale insurance market and reinsurance. In addition, there were two sessions for GIICS members to discuss topics of particular interest, such as IFRS 17. Speakers included representatives from supervisors, industry, consulting and related associations.

GIICS members stem mostly from the IAIS Caribbean and Offshore Region. More than 30 participants, mostly at senior level, from 16 of the 19 GIICS jurisdictions joined the event.

For more information contact Manuela Zweimueller at [manuela.zweimueller@bis.org](mailto:manuela.zweimueller@bis.org).



## NAIC Summer Meetings | Seattle, WA | 13-17 August

Deputy Secretary General Romain Paserot joined an IAIS Q&A session at the NAIC Summer Meetings. He provided an update on the IAIS work and responded to various stakeholder questions on a range of activities and projects, including market conduct, corporate governance, cyber risk, financial stability and the on-going IAIS public consultations.

For more information contact Romain Paserot at [romain.paserot@bis.org](mailto:romain.paserot@bis.org).

## Forum Updates

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.

### UPCOMING

#### Retirement Income and Pensions Forum | Virtual | 28-29 September

The RIPF is the IAIS' forum for insurance supervisors on all issues related to the supervision of insurers that develop and/or sell pension or retirement income products. In September the RIPF will hold a two-day virtual meeting to explore a range of topical issues facing insurers that sell pension and retirement income products (13.00-16.00 CEST, 28 and 29 September). A range of global experts will present on issues including how to address the pensions protection gap, the changing investment landscape, how to address consumer protection issues and digital innovation in pensions markets. In addition, the meeting will consider what demographic trends mean for retirement income and long-term care needs and the role that insurers and supervisors can play.

This virtual meeting is open to all IAIS members. If you would like to join, please contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

#### FinTech Forum | Virtual | 6 October

On 6 October, 13.00-14.30 CEST, there will be a joint EIOPA-FSI-IAIS webinar covering developments related to artificial intelligence (AI) and the impact on supervision. The webinar is open to supervisors only within the EIOPA-FSI-IAIS member community.

More details on the agenda and a link for registration will be available for members in early-September.

### RECENT

#### Supervisory Forum and Governance Working Group joint meeting | Virtual | 7 July

On 7 July, the Supervisory Forum (SF) and Governance Working Group (GWG) held a joint virtual workshop to exchange and discuss practical approaches to supervising remuneration issues in the insurance sector. The workshop also contributed to ongoing work by the GWG on remuneration in the insurance sector. The workshop covered four topics:



- How an insurer's approach to remuneration is incorporated in the supervisor's risk assessment of that insurer, and informs the resulting approach to supervision;
- New supervisory approaches;
- Using data in the supervision of insurer remuneration; and
- On-site supervisory activities, including dialogues with senior executives and/or remuneration committees/chairs, and supervisory intervention and response in case of concerns.

Ten "spotlight speakers" from around the world gave micro-presentations, providing insight into the approach in their jurisdiction, often brought to life by sharing a case study or example. The workshop also featured a Q&A and discussion.

## Replay



The workshop materials and recording are available to all IAIS members on the [webinars page](#) of the extranet.

The GWG is responsible for providing a framework for developing and advancing effective corporate governance in the insurance sector. The SF is a platform for practical discussions on insurance supervision between senior supervisors raising awareness of emerging trends and risks and fostering dialogues on supervisory responses and practical tools.

For more information on the GWG contact Lauren Eckermann at [lauren.eckermann@bis.org](mailto:lauren.eckermann@bis.org).

For more information on the SF contact Guillaume Scheffler at [guillaume.scheffler@bis.org](mailto:guillaume.scheffler@bis.org).

## Risk-Based Solvency Implementation Forum | Virtual | 20 July

The Risk-Based Solvency Implementation Forum (RBSIF) held a virtual meeting on 20 July to exchange on the different approaches to engaging stakeholders in the process of transitioning to a risk-based solvency (RBS) regime.

The scene was set with a presentation from the IAIS Secretariat on general considerations for stakeholder engagement, including factors influencing stakeholder engagement, illustrative practices, stakeholder mapping and engagement tools.

A roundtable discussion followed, including brief presentations from members on their strategy for engaging stakeholder, focusing on the identification of key stakeholders, frequency of engagements and main challenges.

The session concluded with a presentation from the National Insurance and Surety Commission (CNSF) of Mexico on the implementation of their risk-based solvency regime.

The next meeting of the RBSIF will take place virtually on 10 October 2023 and will address the topic of supervisory capacity building.

For more information contact Carlos Lopez Moreira at [carlos.lopezmoreira@bis.org](mailto:carlos.lopezmoreira@bis.org).

## Financial Crime Forum | Virtual | 29 August

The Financial Crime Forum (FCF) held a virtual meeting on 29 August to discuss:

- Jurisdictional updates relevant to financial crime (money laundering/terrorist financing/proliferation financing, sanctions and fraud in insurance); and
- How anti-money laundering and combating the financing of terrorism (AML/CFT) is part of financial inclusion considerations in member jurisdictions.

The next meeting of the FCF will take place virtually on 22 November 2023.

For more information contact Ayana Ishii at [ayana.ishii@bis.org](mailto:ayana.ishii@bis.org).

# Meet our Staff

Each month get to know one IAIS staffer and the projects they are working on.

## Welcome to the IAIS Secretariat



**Name:** Ayana Ishii

Current role: Policy Adviser

Time with the IAIS: Since August 2023

Last employer: Financial Services Agency of Japan (JFSA)

Favourite pastimes: Travelling, walking, watching movies and listening to music

Ayana joined the IAIS Secretariat in August 2023 as a Policy Adviser on a secondment from the JFSA. She will support the Policy Development Committee (PDC), the Resolution Working Group (ReWG) and the Financial Crime Forum (FCF).

Prior to joining the IAIS, Ayana worked at the JFSA, where she was responsible for supervising banks and securities companies, including foreign entities operating in Japan. She also worked on resolution matters in the banking and securities sectors as well as the implementation of the Basel III framework into Japanese regulations.

Ayana holds a Master of Laws (LLM) in International Law from the University of Leicester, UK.

# Committee and Subcommittee Activities

## Subcommittees Activities

### CLIMATE RISK STEERING GROUP

The Climate Risk Steering Group (CRSG) met virtually on 30 August to:

- Discuss feedback on the latest draft Application Paper materials on both climate-related market conduct considerations and climate scenario analysis, which are scheduled to be published for consultation by end-2023;
- Agree recommendations to the Executive Committee on additional climate-related initiatives to be included in the 2025-2029 Strategic Plan;
- Discuss proposals for the work to be undertaken by the Disclosure Workstream; and
- Present initial insights from the GME 2023 climate related data.

The CRSG will next meet virtually on 17 October.

Secretariat support: [miroslav.petkov@bis.org](mailto:miroslav.petkov@bis.org)

### GOVERNANCE WORKING GROUP

The Governance Working Group (GWG) met virtually together with the Supervisory Forum on 7 July for a workshop on practical approaches to effective supervision of insurer remuneration.

A full report is included [above](#) under “Forums”,

Secretariat support: [lauren.eckermann@bis.org](mailto:lauren.eckermann@bis.org)

### MACROPRUDENTIAL MONITORING WORKING GROUP

The Macprudential Monitoring Working Group (MMWG) met virtually on 11 July to progress the following items:

- Data coverage for the 2023 Global Monitoring Exercise (GME) sector-wide monitoring quantitative and climate components;
- Analysis for the 2023 GME collective discussion;
- Work on the Level 3 assets indicator;
- Work on the development of ancillary indicators on credit risk, derivatives and reinsurance; and
- Finalisation of the liquidity metrics.

Secretariat support: [nicolas.colpaert@bis.org](mailto:nicolas.colpaert@bis.org)

#### MARKET CONDUCT WORKING GROUP

The Market Conduct Working Group (MCWG) met virtually on 13 July to:

- Receive a debrief on the joint BCBS-FSI-IAIS meeting held in Basel on 5-6 June on use of innovative technology in financial supervision (SupTech);
- Receive a debrief on the June committee meetings and Global Seminar as related to MCWG topics and projects and discuss the next steps for MCWG;
- Discuss ideas and perspectives regarding market conduct and consumer protection themes for the IAIS' 2025-2029 Strategic Plan; and
- Plan which conduct supervision topics the MCWG will explore in more depth at its September in-person meeting.

Secretariat support: [lauren.eckermann@bis.org](mailto:lauren.eckermann@bis.org)

#### PROTECTION GAPS TASK FORCE

The Protection Gaps Task Force (PGTF) met virtually on 19 July and on 31 August. The purpose of these meetings was primarily to refine the focus and content of the report on the role of insurance supervisors in addressing natural catastrophe protection gaps, which the PGTF will publish later in 2023.

Secretariat support: [alistair.gough@bis.org](mailto:alistair.gough@bis.org)

#### STANDARDS ASSESSMENT WORKING GROUP

The Standards Assessment Working Group (SAWG) met virtually on 31 August to discuss progress on the following items:

- Revision of the Implementation Assessment Handbook;
- Progress monitoring on the implementation of the Holistic Framework supervisory material; and
- Potential approaches to the implementation assessment of ComFrame supervisory material.

Secretariat support: [guillaume.scheffler@bis.org](mailto:guillaume.scheffler@bis.org) and [miho.chen@bis.org](mailto:miho.chen@bis.org)

# Calendar of meetings and events

The following groups are scheduled to meet between September and October 2023.

For the full IAIS calendar, visit our [website](#).

| Date           | Group                                    | Location |
|----------------|--|----------|
| September 2023 |  |          |
| 5              | Governance Working Group                 | Virtual  |
| 5              | Macroprudential Monitoring Working Group | Virtual  |

|              |   |                         |
|--------------|---|-------------------------|
| 6            | Macroprudential Supervision Working Group   | Virtual                 |
| 11           | FinTech Forum   | Virtual                 |
| 12-13        | Financial Inclusion Forum   | Ljubljana, Slovenia     |
| 18-19        | Operational Resilience Task Force   | Québec, Canada          |
| 19           | Implementation and Assessment Committee   | Virtual                 |
| 20           | Macroprudential Committee   | Basel                   |
| 21-22        | Executive Committee Strategic Retreat   | Basel                   |
| 21-22        | Capital, Solvency and Field Testing Working Group   | Basel                   |
| 25           | Insurance Capital Standard and Comparability Task Force   | Virtual                 |
| 26-28        | Accounting and Auditing Working Group   | Cape Town, South Africa |
| 27-28        | Market Conduct Working Group  | Toronto, Canada         |
| 27-28        | Resolution Working Group  | Basel                   |
| 28-29        | Retirement Income and Pensions Forum  | Virtual                 |
| October 2023 |   |                         |
| 4            | Protection Gaps Task Force  | Virtual                 |
| 5            | Budget Committee  | Virtual                 |
| 5            | Macroprudential Supervision Working Group   | Virtual                 |
| 5-6          | Standards Assessment Working Group  | London, UK              |
| 6            | EIOPA-FSI-IAIS Webinar "Current trends on the use of AI, Open finance and DLT in the insurance sector" (supervisors only) | Virtual                 |
| 10           | Risk-based Solvency Implementation Forum  | Virtual                 |
| 10-12        | Bootcamp for assessors  | Basel                   |
| 12           | Policy Development Committee  | Virtual                 |
| 16-18        | Capital, Solvency and Field Testing Working Group   | Basel                   |
| 17           | Climate Risk Steering Group   | Virtual                 |
| 17-19        | Macroprudential Supervision Working Group   | Bern                    |
| 18           | Executive Committee   | Virtual                 |
| 24           | Macroprudential Monitoring Working Group  | Virtual                 |



# Financial Stability Institute (FSI) Report

Financial Stability Institute |  BIS

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

## FSI-IAIS Webinar on Climate Scenario Analysis in the Insurance Sector

The FSI-IAIS Webinar on Climate Scenario Analysis in the Insurance Sector, held 6 July, included a presentation from the Prudential Regulation Authority and Bank of England on designing and implementing physical risk scenarios for prudential purposes. This was followed by a panel discussion with an insurance supervisor, an insurer and a climate scientist sharing their different perspectives on this topic. The webinar ended with a feedback session on the upcoming IAIS Application Paper on Climate Scenario Analysis.

The webinar [recording](#) is available on the Climate Training Alliance Portal. All IAIS Members can self-register to access the Climate Training Alliance (CTA) portal (registration link [here](#)).

## FSI Connect

A new tutorial suite on the Holistic Framework was published in July. It covers liquidity metrics that are used as an ancillary indicator in the Global Monitoring Exercise.

A series of FSI Connect tutorials that are included in the FIRST ONE and Specialised Insurance Online Course (SIOC) online courses have been updated to a new mobile responsive format. The titles include:

- AML (anti-money laundering) and CFT (combating the financing of terrorism) in insurance.
- Digital technology in Inclusive Insurance
- Enterprise risk management for insurers
- Holistic Framework
- Insurance Capital Standard (ICS) Standard Method
- Insurance Capital Standard
- Insurance Core Principles
- Insurer corporate governance
- Insurer cybersecurity
- Introduction to ComFrame
- Policyholder protection schemes
- Reinsurance
- Risk-based supervision
- Solvency control levels

In addition, the following FSI Connect tutorials have been updated to the latest “Brief” (~15 minutes) format:

- Conduct of business in insurance
- Control functions in insurers: actuarial function
- Insurance - licensing issues
- Insurance intermediaries
- Insurance solvency
- Non-life insurance – business and risks
- Off-site supervision in insurance
- On-site inspection in insurance
- Preconditions of insurance supervision
- Supervisory interventions of insurers

A new FSI Connect tutorial suite, based on the IAIS [Issues Paper on Insurance Sector Operational Resilience](#), will be published shortly. View a video preview [here](#).

# Access to Insurance Initiative (A2ii) Report



**The Access to Insurance Initiative (A2ii) is a unique global partnership which inspires and supports insurance supervisors in promoting access to insurance for underserved and low-income populations. It is the IAIS implementation partner on financial inclusion.**

## Useful tools on the A2ii website

- The [Insurance and the SDGs](#) pages
- The [Supervisory KPIs Lexicon](#)
- The [Inclusive Insurance Regulations map](#)
- The [ICP Self-assessment Tool](#)

## Inclusive Insurance Innovation lab



After an eight-month hiatus, the third inclusive insurance innovation (iii-lab) had a follow-up call on 22 June 2023. The purpose of this call was for iii-lab participants from Costa Rica, Grenada, Zambia and Zimbabwe to update on the initiatives undertaken and implementation progress of respective prototypes developed since the beginning of the lab in October 2021.

During the call, the iii-lab teams shared their progress on implementing their prototypes.

- Costa Rica's climate web tool "FuTurismo" is an online platform to help build awareness on the impact of climate change within the small and medium enterprise tourism sector. In addition, it provides risk assessments and sustainable risk management solutions – including insurance. The team began working on a roadmap for the development of the prototype and is currently in the process of hiring a project manager to help implement the various modules of the web tool.
- Grenada's innovation of a mutual risk pool was developed to provide farmers and fisherfolk relief after a declared climate risk related event. This has resulted in a partnership with a company that offers parametric solutions to provide coverage through a product called "flexible hurricane protection (FHP)".
- Zambia developed a pilot to raise awareness on insurance by engaging community champions to disseminate information to farmers and other agriculture stakeholders. The team has now developed the material and secured external funding for printing.
- Zimbabwe has been working with an actuary to price its innovation – the "Farmer's Basket Bundle" that aims to offer affordable Germination Cover and Area Yield Index Insurance (AYII) bundled with inputs like pesticides, and fertilizers, amongst others.

All four country teams continue to maintain ownership of their innovations, driving multi-stakeholder collaboration with partners and leading change in their sectors. To learn more about the country teams' updates, visit the third iii-lab microsite [here](#).

## New Connect.A2ii learning resource

Lessons from Colombia and Argentina on supervisory approaches to data for bridging the protection gap.

A2ii has released [a new learning module](#) in our learning and peer exchange platform [Connect.A2ii](#). In this module you can access the recording from our last Supervisory Special, where supervisors

delved into the data-driven approaches utilised by the supervisory authorities from Colombia and Argentina.

In this learning module, supervisors can learn from **Óscar Martínez**, Financial Inclusion Advisor at the Superintendencia Financiera de Colombia about the recent update to their financial inclusion reporting tool to analyse inclusive insurance, and how they incorporate sex-disaggregated data.

They can also hear from **Natalia López Uris**, Senior Policy Advisor at the Superintendencia de Seguros de la Nación of Argentina. Natalia provided an overview of how her organisation has been advocating for the inclusion of women in insurance. Her presentation shared how the SSN has joined forces with the industry, as well as other insurance stakeholders in this mission.

If you haven't joined [Connect.A2ii](#) yet, you can do so by following this link and clicking "Create new account" to access this recording, as well as other learning materials. Please note that accounts are limited to current insurance supervisors only.



## Recent events

### OVERVIEW WORKSHOP ON PRODUCT DEVELOPMENT FOR THE NEPAL INSURANCE AUTHORITY | 11 JULY 2023

A2ii kicked off its assistance to the **Nepal Insurance Authority (NIA)** in developing a customer-oriented product development process by conducting an online "Overview Workshop on Product Development for the Nepal Insurance Authority" last 11 July 2023. The workshop featured presentations and exchanges on the initial gaps related to microinsurance product development in Nepal, related ICPs and consumer protection requirements, and a presentation of best practices from the Philippines.

There were 24 participants, including representatives from the NIA microinsurance team and key microinsurance players in Nepal. The workshop is the first activity under A2ii's "Follow-up In-country Collaboration with the Nepal Insurance Authority (NIA) on Product Development for Microinsurance Products".

### THE FEMA METER TOOLKIT ENTERS ITS PILOT PHASE

. In August, A2ii officially launched the pilot phase of the FeMa Meter project, collaborating with insurance supervisors and industry representatives from Pakistan, Lesotho, Argentina and Zambia.

The FeMa Meter is a simple tool designed by A2ii to collect and analyse sex-disaggregated data. This tool aims to support insurance companies, regulators, supervisors, and policymakers by providing a clear view of 13 key insurance metrics separated by sex – female and male. The FeMa Meter streamlines the process of data collection by offering immediate output calculations that highlight disparities between men and women across various organisational and portfolio indicators. This helps identify gender-specific trends, allowing for targeted strategies to bridge the gap in insurance access and coverage.

Throughout 2023, we are dedicated to refining and perfecting the toolkit through the ongoing pilot phase. As we test its effectiveness in these initial countries, we will prepare to roll out the FeMa Meter Tool to a broader range of nations, additionally preparing comprehensive training and guidance to maximise the impact of this gender-sensitive approach to insurance.

## Upcoming events

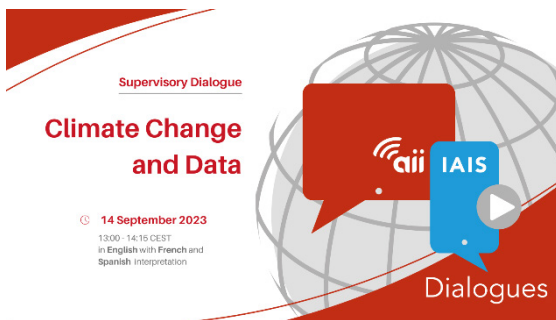
### A2II-IAIS PUBLIC DIALOGUE: CLIMATE CHANGE AND DATA | 14 SEPTEMBER

The insurance industry and insurance regulators are increasingly recognising the importance of climate-related data in assessing and managing risks associated with climate change. Climate-related data refers to information that helps insurers and regulators understand the potential impacts of climate change on insured assets, liabilities, and overall industry stability. This data includes historical

climate patterns, projections of future climate scenarios, and analysis of physical and transition risks.

This ties directly to A2ii's theme of the year for 2023, Data, as it plays a crucial role in the development of inclusive insurance regulation and becomes especially relevant in the case of climate change.

On **14 September**, A2ii and IAIS will host a Public Dialogue on this topic. The webinar will take place on MS Teams at 13:00 CEST and will last one hour and 15 minutes. Simultaneous interpretation to French and Spanish will be available. More information is available [on our website](#).



## INCLUSIVE INSURANCE TRAINING

The Inclusive Insurance Training programme is offered in partnership with the Toronto Centre and IAIS. It will take place over 4 days from **7-16 November 2023**, on Tuesdays and Thursdays, in English.

The training programme is aimed at **entry- to mid-level insurance supervisors** from the **Asia-Pacific** region.

The training is offered at no cost to insurance supervisors; however, places will be limited. We will accept approximately 2 supervisors per jurisdiction.

[Click here](#) for more information.



## 18TH CONSULTATIVE FORUM | 23 OCTOBER, ACCRA, GHANA



## ICII 2023

23–27 October 2023  
Accra, Ghana

The devastating impact of climate change has already become a reality for many, and even more so for the most vulnerable societies and households.

Addressing the widening protection gaps requires close collaboration between the public

and private sector. Thus, bringing together key stakeholders to share their knowledge and experience in addressing climate change related risks is more important than ever.

The Consultative Forum 2023 will gather representatives of international initiatives, the insurance industry as well as policymakers and supervisors to jointly identify best practices, challenges and opportunities for developing and implementing insurance solutions that can promote financial resilience in the face of climate change and natural disaster.

For more information, visit our [events page](#).

## Blog

### INDEX INSURANCE: UNLOCKING OPPORTUNITIES AND ADDRESSING CHALLENGES



Index insurance has the potential of providing effective and affordable insurance protection for low-income, vulnerable groups, but it comes with its



challenges, both from a consumer and regulatory perspective. In this blog, we reflect on the lessons from the A2ii-IAIS-UNCDF Public Dialogue on Index Insurance that took place earlier this year. [Read more...](#)

## Scholarship Opportunity

A2II SCHOLARSHIP OPPORTUNITY FOR SUPERVISORS FOR INTERNATIONAL LABOUR ORGANISATION IMPACT INSURANCE ACADEMY

[The Access to Insurance Initiative \(A2ii\)](#) is offering one full scholarship for an insurance supervisor for the [Impact Insurance Academy](#), which will take place from 20-24 November 2023 in Turin, Italy. The scholarship will cover the tuition, accommodation and meal costs and will be awarded through a competitive application process.

More information on the process and criteria [here](#).

## Staffing Update

### NEW REGIONAL CONTACT FOR SUB-SAHARAN AFRICA

We are pleased to announce that Monica Odhiambo is the new A2ii regional contact person for Sub-Saharan Africa. She can be reached at [monica.odhiambo@a2ii.org](mailto:monica.odhiambo@a2ii.org).

We wish our outgoing Sub-Saharan Africa regional coordinators, **Sharon Sikhosana** and **Lulama Mafunda** from the South African Reserve Bank all the best after their years with us.

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View full [newsletters](#) on the A2ii website and [subscribe](#) to the A2ii mailing list.

## About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions. The mission of the IAIS is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

Established in 1994, the IAIS is the international standard setting body responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation. The IAIS also provides a forum for members to share their experiences and understanding of insurance supervision and insurance markets.

The IAIS coordinates its work with other international financial policymakers and associations of supervisors or regulators and assists in shaping financial systems globally. In particular, the IAIS is a member of the Financial Stability Board (FSB), member of the Standards Advisory Council of the International Accounting Standards Board (IASB) and partner in the Access to Insurance Initiative (A2ii). In recognition of its collective expertise, the IAIS also is routinely called upon by the G20 leaders and other international standard-setting bodies for input on insurance issues as well as on issues related to the regulation and supervision of the global financial sector.

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