



October 2023 | Issue 126

Newsletter

From the Secretary General



At the core of the IAIS' role as a global standard setter lies a commitment to promote effective and globally consistent supervision of the insurance industry, supporting the development and maintenance of fair, safe and stable insurance markets for the benefit and protection of

policyholders and to contribute to global financial stability.

A key aspect of delivering on our mission of effective and globally consistent supervision is the finalisation of the Insurance Capital Standard (ICS) – and its consistent implementation across jurisdictions.

The ICS is the global capital standard for internationally active insurance groups (IAIGs) and will provide a common language for cross-border supervisory discussions of group solvency in a world where we face many shared and interconnected global risks.

We are now entering the final phase of the development of the ICS as a prescribed capital requirement (PCR) for IAIGs. Public consultation recently closed on the candidate [ICS as a PCR](#). The ICS is due to be adopted by the IAIS at the end of 2024.

The United States is developing an Aggregation Method (AM) as their implementation of the ICS. Whilst the AM is not part of the ICS, the IAIS is undertaking – in line with the IAIS' focus on effective and globally consistent supervision – an assessment of whether the AM provides comparable outcomes to the ICS, and if so, will be considered an outcome-equivalent approach for implementation of the ICS as a PCR.

Earlier this month, we issued a statement outlining how the assessment will be conducted. I will personally lead the assessment team consisting of technical experts within the IAIS Secretariat, representing geographical diversity and expertise in both the AM and ICS. The AM comparability assessment will be a robust technical, evidence-based analysis using the comparability criteria agreed in [March 2023](#) and in line with the assessment methodology, process and governance agreed by the IAIS earlier this year.

The assessment will be conducted using the candidate ICS as a PCR and the [Provisional AM for use in the comparability assessment](#) developed by the United States, utilising the 2023 ICS and AM data collection packages that participating insurers submitted in August.

The AM comparability assessment team's technical analysis will support the IAIS ICS and Comparability Task Force (ICSTF) in making an informed recommendation to the IAIS Executive Committee on the outcome of the comparability assessment. Based on the ICSTF's recommendations, the final decision on whether the AM provides comparable outcomes to the ICS will be made by the Executive Committee by the end of 2024.

Development of the ICS project has always followed a data-driven, empirically-tested approach. Whilst the assessment of comparability of the AM will be a

challenging exercise, given the complex nature of insurers' balance sheets and capital calculations, it will likewise be driven by a commitment to deliver a technical, robust, transparent assessment that will allow all stakeholders to understand the basis of our assessment and how it will be conducted.

To learn more, read the [IAIS statement](#) that was published on 17 October.

Jonathan Dixon, Secretary General

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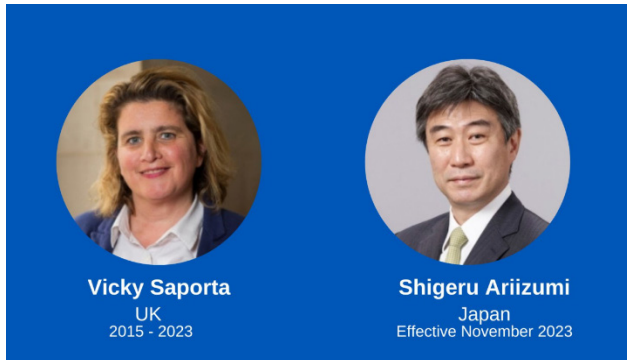
Calendar Notes

Stay tuned for real-time updates on our [LinkedIn](#) page during the upcoming IAIS Annual Conference in Tokyo.

News

LEADERSHIP

IAIS announces new Executive Committee Chair as of 9 November



During its meeting on 18 October, the IAIS Executive Committee (ExCo) elected [Shigeru Ariizumi](#), Vice Minister for International Affairs at the Financial Services Agency (FSA) of Japan, as IAIS Chair, succeeding [Vicky Saporta](#), Executive Director, Prudential Policy at the Bank of England

Shigeru, currently a Vice Chair of the IAIS Executive Committee, will become Chair following the IAIS Annual General Meeting on 9 November 2023.

“Vicky will be greatly missed as Chair by both members and the Secretariat, having brought deep technical knowledge and impressive consensus-building skills to the role. She leaves after an eight-year tenure marked by considerable achievements”, said Jonathan Dixon, IAIS Secretary General.

“With Shigeru we have a senior leader with extensive international experience to navigate the important years ahead.”

For more details and statements from Vicky Saporta and Shigeru Ariizumi, please read the [press release](#).

To learn more about IAIS’ organisational structure visit our [website](#).

For more information contact Melanie Clowes at IAIS-Press@bis.org.

ASSESSMENTS

PRP on ICP 16 (ERM for Solvency Purposes)

As part of the 2023-2024 Roadmap, the IAIS launched a Peer Review Process (PRP) on Insurance Core Principle (ICP) 16 (Enterprise Risk Management for Solvency Purposes). [PRPs](#) are part of the assessment strategy of the IAIS, designed to support members with the implementation of IAIS supervisory material.

IAIS members are invited, via an [online survey](#), to participate in the self-assessment and peer review addressing ICP 16, which is particularly important when considering a transition to risk-based regimes. The survey closes 20 November.

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

For more information, [visit our website](#) or contact Sharon Lin at sharon.lin@bis.org.

MEMBERSHIP

New IAIS MMoU signatory – the Australian Securities & Investments Commission



The IAIS is pleased to welcome the Australian Securities & Investments Commission (ASIC) as a member of the IAIS Multilateral Memorandum of Understanding (MMoU) – an international supervisory cooperation and information exchange agreement.

Through the accession of the ASIC, 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 of 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.

DIVERSITY, EQUITY AND INCLUSION

Member publication on the relevance of DEI within insurers to governance, risk management and corporate culture

Last week, we published an IAIS members-only resource that articulates what diversity, equity and inclusion (DEI) within an insurer means and involves and how this links to supervisory objectives. The publication addresses:

- How DEI can be considered in the IAIS context;
- How DEI contributes to corporate governance (ICP 7), risk management (ICP 8) and other aspects of corporate culture within insurers;
- The risks and implications of an insurer not considering DEI in its corporate strategy, particularly with respect to corporate governance, risk management and corporate culture outcomes; and
- How an insurer might demonstrate a commitment to improving DEI.

The narrative explains that an insurer's institutional approach to DEI reflects its culture and ultimately influences the effectiveness of its corporate governance and risk management. It follows that the state of an insurer's DEI is increasingly relevant to insurance supervisors, as a strong and active commitment to DEI can be considered one of the drivers of effective corporate governance and risk management and of a positive corporate culture. These are critical ingredients for having a sound and

successful business, which benefits insurers and customers alike.

IAIS members can find the report and other member-only publications on the [members-only reports page](#). Member-only materials can be shared with all employees of an IAIS member organisation.

Diversity, Equity and Inclusion

DEI is a strategic theme of the IAIS' work programme. The Market Conduct Working Group (MCWG) is also currently working on a DEI project developing an Application Paper on how ICP 19 (Conduct of Business) can be implemented for the fairer treatment of, and better outcomes for, consumers who are minority, vulnerable, under-served or have specific needs ("diverse consumers"). The [Governance Working Group](#) (GWG) is continuing its work on DEI by developing an Application Paper focused on the signs/flags to a supervisor that an insurer may have issues with DEI, and what a supervisor can do in response.

For more information on the IAIS' work on DEI, [visit our website](#) or contact Lauren Eckermann at lauren.eckermann@bis.org.

In case you missed it

Read our [Stocktake on diversity equity and inclusion in the insurance sector](#) published in December 2022.



Event Spotlight

ASSAL Regional Seminar | El Salvador | 5-6 October

Head of Implementation and Assessment designate, Conor Donaldson, attended the regional training seminar for insurance supervisors of Latin America co-organised by the Association of Insurance Supervisors of Latin America (ASSAL), the IAIS, and the Superintendency of the Financial System (SSF) in El Salvador.

During the Seminar, Conor gave a keynote address, highlighting the IAIS key priorities for 2024 and noting the direction of travel and key milestones for the development of the IAIS' 2025-2029 Strategic Plan. Conor also participated in a panel on investment and risk-based solvency on which he was shared perspectives of the work of the IAIS' Risk Based Solvency Implementation Forum (RBSIF). He noted the importance of comprehensive planning, stakeholder engagement and market capacity and capabilities when transitioning to a risk-based solvency framework.

For more information contact Conor Donaldson at conor.donaldson@bis.org.

CEET Regional Seminar | Tbilisi | 5-6 October



The Insurance State Supervision Service of Georgia (ISSSG) hosted the Central and Eastern Europe and the Transcaucasian ([CEET](#)) Regional Seminar on 5 and 6 October in Tbilisi, Georgia. Almost 40 representatives from regional insurance supervisors,

plus representatives from Thailand and Jordan, participated.

Levan Davitashvili, Vice Prime Minister and Minister of Economy and Sustainable Development opened the conference, emphasising the importance of insurance for the economy and society alike, also providing resilience.

Manuela Zweimueller, IAIS Head of Implementation, presented the IAIS strategic themes and roadmap, and also moderated a session on cyber risks.

The event agenda balanced EU-focussed topics and CEET regional items, such as the integration of environmental, social and governmental (ESG) factors in regulation. Other agenda items included a report by Albania on its experience undergoing the IAIS Member Assessment Programme (MAP), as well as a discussion on IAIS strategic themes, including digital innovation, cyber risk and operational resilience.

For more information contact Manuela Zweimueller at manuela.zweimueller@bis.org.

AFIR-FSI-IAIS Asia-Pacific HLM and Annual Meeting | Kuala Lumpur | 9-11 October



Jonathan Dixon, IAIS Secretary General, joined Asian regulators in Kuala Lumpur in early October for two important regional meetings. Firstly, the sixth High-Level Meeting (HLM) organised by the Financial Stability Institute, the Asian Forum of Insurance Regulators (AFIR) and the IAIS, for which he made opening remarks and moderated a panel on diversity, equity and inclusion in the insurance sector. In his

opening remarks Jonathan covered the IAIS' assessment of vulnerabilities in the global insurance sector and support for supervisory responses to key trends in the global insurance sector.

Secondly, Jonathan delivered remarks at AFIR's Annual Meeting, providing an update on the IAIS' work on progressing its six strategic themes and development of the next IAIS five-year Strategic Plan. Jonathan welcomed commitments by a number of members in the region to implement the Insurance Capital Standard (ICS).

See the FSI update on this event [below](#).

For more information contact Joe Perry at joe.perry@bis.org or Carlos Lopez Moreira at carlos.lopezmoreira@bis.org.

AFSA Regional Seminar | Tirana | 18 October



Conor Donaldson, Head of Implementation and Assessment designate, attended a regional seminar in Tirana, Albania, entitled “Insurance Sector Development: Opportunities and Challenges in South Eastern Europe”, which was hosted by the Albanian Financial Markets Authority (AFSA).

Conor participated in a panel discussion on the role of insurance in countries' disaster risk management. Panel participants shared experiences on a range of initiatives in development, or already in place, that provide insurance in the face of significant perils.

Conor was able to draw attention to the work of the IAIS on supervisory actions to narrow natural catastrophe (NatCat) protection gaps.

For more information contact Conor Donaldson at conor.donaldson@bis.org.

Geneva Association and IAIS High-Level Meeting | Virtual | 19 October

On 19 October, members of the Geneva Association Board and the IAIS Executive Committee held their regular annual dialogue on developments in the insurance sector. CEOs and other senior representatives from 10 global insurers joined the call which considered:

- Evolving risks in the insurance sector, including financial, climate, geopolitical and operational risks. In particular, discussion considered emerging themes from the IAIS Global Monitoring Exercise (GME) including increased credit and liquidity risks.
- The group also discussed the role of supervisors and insurers in addressing existing and emerging protection gaps, such as pension, health, cyber and NatCat protection gaps, and exploring how supervisors and industry can complement each other's efforts in this regard.
- The IAIS and Geneva Association also exchanged information on their upcoming strategic focus areas, noting a good deal of alignment in priority topics.

Lastly, participants received an update on progress to finalise and then implement the ICS.

For more information contact Joe Perry at joe.perry@bis.org.

Forum Updates

Risk-based Solvency Implementation Forum | Virtual | 20 October

The Risk-based Solvency Implementation Forum (RBSIF) met virtually on 20 October to discuss progress on developing the guidance document on transitioning to risk-based solvency (RBS) regimes and exchange on supervisory capacity building for RBS implementation.

At this occasion, RBSIF members provided perspectives on how supervisory capacity building impacted their jurisdiction's decision to transition to RBS, including essential skills and approaches to close knowledge and skill gaps.

The Kenyan Insurance Regulatory Authority (IRA) presented their journey to RBS with a focus on their actuarial scholarship, aimed at building actuarial capacity for the insurance industry in Kenya.

For more information contact Carlos Lopez Moreira at carlos.lopezmoreira@bis.org.

Capacity Building

RECENT

EIOPA-FSI-IAIS webinar on AI | Virtual | 6 October

The European Insurance and Occupational Pensions Authority (EIOPA), Financial Stability Institute (FSI) and IAIS jointly organised a member-only webinar on "Harnessing artificial intelligence's potential in insurance: exploring use cases, risks and challenges" on 6 October 2023.

The first session of the webinar showcased real-life examples of artificial intelligence (AI) applications in the insurance industry, highlighting their impact on the insurance value chain and analysing the challenges of its adoption. The second session discussed the unique risks associated with AI adoption in the insurance sector and the regulatory considerations that supervisors need to be aware of. By examining case studies and discussing emerging trends, the aim of this webinar was to provide valuable insights for supervisors to navigate this rapidly evolving landscape.

The recording of this webinar is available to members on the [IAIS Members Extranet](#).

For more information contact Zafirah Adrus at zafirah.adrus@bis.org.

Bootcamp for Assessors | Basel | 10-12 October



Thirty representatives from member jurisdictions from all regions attended the inaugural IAIS Bootcamp for Assessors – an intensive three-day training event, which sought to equip assessors with the knowledge and skills to evaluate the implementation of the IAIS Insurance Core Principles (ICPs) and ComFrame standards.

The Bootcamp provided participants with a thorough understanding of how to conduct implementation assessments – from planning and scoping to reporting. Experienced trainers led interactive workshops, case studies and discussions. They also shared insights and

best practices from previous assessments. The syllabus included:

- The objectives and scope of implementation assessments;
- The methodology and criteria for assessing compliance with IAIS supervisory material;
- The tools and techniques for collecting and analysing evidence;
- The challenges and risks associated with leading or participating in implementation assessments; and
- The communication and reporting strategies for presenting gaps and recommendations.

Participants came from diverse backgrounds in terms of roles, functions and experience in supervision and assessment. This diversity fostered a collaborative atmosphere amongst participants and will enrich the IAIS assessor pool.

“I liked the combination of broad explanations and practical inputs. Excellent preparation for my (hopefully) potential future PRP/MAP situations.”

– Frane Mazovec,
Insurance Supervision Agency of Slovenia

The results of the feedback survey showed that participants found the Bootcamp very informative and useful for both future implementation assessment process and their own supervisory work. They appreciated the illustrative case studies as well as the opportunity to network and exchange views with experienced trainers and their peers.

The IAIS is committed to ensuring effective implementation of its supervisory material worldwide and, therefore, plans to organise more capacity building events in the future. As part of this effort, we will host a virtual feedback session on implementation assessment, which will be open to all IAIS members.

For more information contact

guillaume.scheffler@bis.org and miho.chen@bis.org.

Implementation assessment

Implementation assessment is a key function of the IAIS, which requires skilled and competent assessors. The Bootcamp for Assessors is a milestone in building a pool of qualified assessors for future IAIS assessment activities.

The training materials used for this course are available on the [IAIS Members Extranet](#) (login required).

Meet our Staff

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

Welcome to the IAIS Secretariat



Name: Nadja Brandys

Current role: IT Project and Change Manager

Time with the IAIS: Since 16 October 2023

Last employer: Ideamotive Inc.

Favourite pastimes: DIY, crafts, tap dancing

Nadja joined the IAIS as IT Project and Change Manager to support the upcoming software migration in collaboration with our host organisation the Bank for International Settlements.

Prior to joining the IAIS, she managed several software development projects for clients such as PayPal, Millennium Bank and Bank to the Future. She also acted as a business analyst and supported development teams.

Nadja has a master's in international relations from the University of Krakow and a post-graduate degree in Gender Studies from Jagiellonian University in Poland. She is a certified SCRUM Master.

Committee and Subcommittee Activities

Committee Activities

BUDGET COMMITTEE

The Budget Committee (BC) met virtually on 5 October. Updates and discussions included:

- Secretariat report on IAIS operations;
- 2023 budget execution and member fee update;
- Request for approval of the draft 2024 budget and member fees;
- Update on the 2023 Global Seminar draft financial results including number of attendees and expenses incurred;
- 2023 Annual Conference budget update (Japan); and
- 2024 Annual Conference preliminary update (South Africa).

The next BC meeting will be held virtually in January 2024.

Secretariat support: lydia.kimumwe@bis.org and tekla.ashton@bis.org.

EXECUTIVE COMMITTEE

The Executive Committee (ExCo) met on 18 October to:

- Update on the identification of internationally active insurance groups;
- Agree on a draft report to the Financial Stability Board's Standing Committee on Supervisory and Regulatory Cooperation (FSB SRC) on the outcome of the IAIS 2023 Global Monitoring Exercise and collective discussion; and
- [Elect the Chair of the ExCo](#), whose term commences following the IAIS Annual General Meeting on 9 November.

The next ExCo meeting will take place on 8 November in Tokyo, Japan.

Secretariat support: alistair.gough@bis.org, ruby.garg@bis.org and gemma.schneider@bis.org

POLICY DEVELOPMENT COMMITTEE

The Policy Development Committee (PDC) met virtually on 12 October to:

- Receive updates on the outcome of the monitoring of identification of internationally active insurance groups (IAIGs) in 2023;
- Discuss the work of the Resolution Working Group on revisions to recovery and resolution related standards;
- Approve the Operational Resilience Working Group draft mandate and project plan; and
- Discuss the 2023-2024 workplan for the Capital, Solvency and Field Testing Working Group work on the Insurance Capital Standard (ICS).

The next PDC meeting will take place on 6 November in Tokyo, Japan.

Secretariat support: ayana.ishii@bis.org and alka.sharma@bis.org

Subcommittees Activities

CAPITAL, SOLVENCY AND FIELD TESTING WORKING GROUP

In early October, the analysis team continued the review of data submissions relating to the fourth year of the ICS monitoring period with the aim to understand the evolution of results between 2022 and 2023 and between ICS Version 2.0 and the candidate ICS as a Prescribed Capital Requirement (PCR).

The Capital, Solvency and Field Testing Working Group (CSFWG) then met on 16-18 October in Basel to discuss:

- The results of the ICS and Aggregation Method (AM) data analysis;
- Preliminary high-level findings from the ICS and Insurance Core Principles (ICPs) 14 (Valuation) and 17 (Capital Adequacy) public consultations;
- The ICS calibration document; and
- Climate-risk related adjustments and supporting material to ICPs 14, 15 (Investments) and 16

(Enterprise Risk Management for Solvency Purposes).

The CSFWG met virtually on 30 October to discuss in more detail the responses to the ICS public consultation.

The next CSFWG meeting will take place 12-14 December in Washington, DC.

The analysis team will also meet on 20-24 November in Basel to finalise the analysis of 2023 ICS and AM data.

Secretariat support: romain.paserot@bis.org and aurelien.cosma@bis.org

CLIMATE RISK STEERING GROUP

The Climate Risk Steering Group (CRSG) met virtually on 17 October to:

- Approve the Application Paper materials on both climate-related market conduct considerations and climate scenario analysis, which are scheduled to be published for consultation in November 2023;
- Discuss the timelines for producing the climate risk chapter for the Global Insurance Market Report (GIMAR) 2023 and discussing the process for preparing for the 2024 Global Monitoring Exercise (GME);
- Agree on CRSG-related project charters for 2024;
- Update on the planned work by the CRSG disclosure workstream; and
- Receive an update on the draft report on supervisors' role in addressing protection gaps by the Protection Gap Task Force.

Also, CRSG received an update from the UNDP Sustainable Insurance Forum (SIF) on their ongoing work.

The CRSG will next meet virtually in January.

Secretariat support: miroslav.petkov@bis.org

GOVERNANCE WORKING GROUP

The Governance Working Group (GWG) met virtually on 10 October to discuss a draft outline of key messages that will be developed into an Application Paper as the public output of the [GWG's diversity, equity and inclusion \(DEI\) project](#). This project is focused on the link between DEI within an insurer and its governance (ICP 7), risk management (ICP 8) and corporate culture. The

Application Paper is expected to describe signs/flags to a supervisor that an insurer may have issues with DEI and steps a supervisor can take in response. Public consultation is anticipated in Q2 2024.

GWG will next meet on 28-29 November in Basel.

Secretariat support: lauren.eckermann@bis.org

MACROPRUDENTIAL MONITORING WORKING GROUP

The Macroprudential Monitoring Working Group (MMWG) met virtually on 24 October to:

- Discuss the GME 2023 participating insurer report and participating jurisdiction report;
- Discuss the GIMAR 2023; and
- Discuss the update on work on level 3 assets.

The next MMWG meeting will take place 6-7 December in China, Hong Kong.

Secretariat support: nicolas.colpaert@bis.org

MACROPRUDENTIAL SUPERVISION WORKING GROUP

The Macroprudential Supervision Working Group (MSWG) met in person in Bern, Switzerland 17-19 October to discuss:

- Member presentations and updates on the implementation of macroprudential frameworks;
- Impact on insurers from the current macroeconomic environment and an initial assessment of macroprudential risks posed by artificial intelligence;
- Presentations from four external speakers on their views on asset-intensive reinsurance and alternative assets, life insurers and shadow banking and the macroeconomic outlook;
- Member presentations and updates on supervisory material review and changes to the regulatory framework; and
- Review of the GIMAR text on alternative asset management and asset intensive reinsurance.

The MSWG next meets virtually on 8 December.

Secretariat support: fabian.garavito@bis.org and inwook.hwang@bis.org

RESOLUTION WORKING GROUP

The Resolution Working Group (ReWG) met virtually on 26 October to discuss the further development of the draft revisions to ICP 12 (Exit from the Market and Resolution) and 16.15 (Recovery Planning) and related ComFrame standards.

The ReWG will next meet virtually on 18 January.

Secretariat support: ayana.ishii@bis.org

STANDARDS ASSESSMENT WORKING GROUP

The Standards Assessment Working Group (SAWG) met on 5 and 6 October in London to discuss the following items:

- Revised draft report on progress monitoring of the implementation of the Holistic Framework supervisory material;
- Future assessments of the implementation of the Holistic Framework supervisory material;
- ComFrame implementation assessment;
- 2024-2025 Strategic Plan and consideration on implementation support activities;
- Member Assessment Programmes;
- Bootcamp for assessors;
- Self-Assessment Tool; and
- Peer Review Process.

The next SAWG meeting will take place in early 2024.

Secretariat support: guillaume.scheffler@bis.org and miho.chen@bis.org

STRATEGIC PLAN AND FINANCIAL OUTLOOK TASK FORCE

The Strategic Plan and Financial Outlook Task Force (SPFOTF) met virtually on 6 October, to debrief on the outcomes of the Strategic Retreat. This included both the format of the event, as well as the key messages emerging from the discussions.

The SPFOTF will next meet on 8 November in Tokyo.

Secretariat support: alistair.gough@bis.org

Calendar of meetings and events

The following groups are scheduled to meet between November and December 2023.

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

Date	Group	Location
November 2023		
6	Audit and Risk Committee	Tokyo, Japan
6	Protection Gaps Task Force	Tokyo, Japan
6	Policy Development Committee	Tokyo, Japan
7	Implementation and Assessment Committee	Tokyo, Japan
7	Insurance Capital Standard and Comparability Task Force	Tokyo, Japan
7	Macroprudential Committee	Tokyo, Japan
8	Strategic Plan and Financial Outlook Task Force	Tokyo, Japan
8	Executive Committee	Tokyo, Japan
9	Annual General Meeting (AGM)	Tokyo, Japan
9	Post-AGM ExCo	Tokyo, Japan
9-10	Annual Conference	Tokyo, Japan
16	Financial Inclusion Forum	Virtual
20	Market Conduct Working Group	Virtual
22	Financial Crime Forum	Virtual
28-29	Governance Working Group	Basel
December 2023		
6-7	Macroprudential Monitoring Working Group	Hong Kong, China
8	Macroprudential Supervision Working Group	Virtual
8	FinTech Forum	Virtual
11	Insurance Capital Standard and Comparability Task Force	Virtual
12-14	Capital, Solvency and Field Testing Working Group	Washington DC, USA
12-13	Accounting & Auditing Working Group	Virtual
13	Public webinar on Stakeholder Engagement and Consultation Policy	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 (BIS) and the Basel Committee on Banking Supervision to assist supervisors around the world in improving and strengthening their financial systems.

AFIR-FSI-IAIS Asia-Pacific High-Level Meeting on Insurance Supervision | Kuala Lumpur | 9 October 2023

The Sixth Asia-Pacific High-Level Meeting on Insurance Supervision, jointly organised by the Asian Forum of Insurance Regulators (AFIR), the FSI of the BIS and the IAIS was hosted by Bank Negara Malaysia in Kuala Lumpur on 9 October 2023.

The meeting covered three topics relating to international regulatory and global financial developments, big techs in insurance and environmental, social and governance (ESG) issues.

On the first topic, participants discussed lessons from the recent banking sector turmoil, challenges arising from macroeconomic and technological developments, as well as the implications of upcoming international standards including the Insurance Capital Standard. On the second topic, Jeffery Yong (FSI, BIS) and Julie Zhu (Hong Kong Insurance Authority, HKIA), presented a paper they co-authored with Denise Garcia Ocampo (FSI, BIS) and Jatin Taneja, FSI Insights no 51 [From clicks to](#)

[claims: emerging trends and risks of big techs' foray into insurance](#). The panel discussion that followed covered the motivation of big techs in entering into the insurance sector and how regulations can cope with this emerging trend. The final panel on ESG explored the prudential relevance of ESG practices adopted by insurers.

The sessions were moderated by Clement Cheung, (outgoing) Chair of AFIR and Chief Executive Officer, HKIA; Jonathan Dixon, Secretary General of the IAIS and Juan Carlos Crisanto, Deputy Chair of the FSI, BIS.

See the IAIS update [above](#).

FIRST ONE Programme | Virtual | 17 August - 12 December 2023

The 9th cycle of the FSI-IAIS Regulatory and Supervisory Training Online Programme (FIRST ONE), offered jointly by the FSI and the IAIS, concluded in October 2023.

The 2023 cohort reflected broad geographical diversity, with 246 supervisors from 60 jurisdictions across all regions. Participants covered over 12 hours of tutorials and five one-hour live webinars with experts, focusing on the IAIS supervisory material and emerging risks and trends.

The dates for the next cycle of the programme will be announced in due course.

For more information, contact Carlos Lopez Moreira at carlos.lopezmoreira@bis.org.

FSI Connect

The FSI published a new suite of FSI Connect tutorials on transition plans based on the recent Network for Greening the Financial System (NGFS) Stocktake on Financial Institutions' Transition Plans and their Relevance to Micro-prudential Authorities.

FSI Connect is available to central banks, supervisory authorities, deposit insurers and other eligible public sector authorities [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 [Covid-19 Insurance Supervisory Response Tracker](#)
- The [Supervisory KPIs Lexicon](#)
- The [Inclusive Insurance Regulations map](#)
- The [ICP Self-assessment Tool](#)

Recent Events

18TH CONSULTATIVE FORUM | ACCRA, GHANA
| 23 OCTOBER



The Consultative Forum was jointly organised by the **A2ii** and the **IAIS** in partnership with the **Microinsurance Network (MIN)**, and the **Insurance Development Forum (IDF)**.

The forum started by examining global initiatives, like the Global Shield against Climate Risks, and discussed the IAIS' most recent work on NatCat Protection Gaps and supervisory approaches to help close existing protection gaps. In

addition, industry representatives highlighted the impact of new products and innovative services they had been developing to mitigate the impact of climate change.

A special focus was placed on the topic of risk modelling since it is one of the key elements for the insurance industry, as well as for policymakers and other decision-makers, in quantifying risks arising from natural catastrophes. In light of climate change, risk modelling has become more challenging as relying on historical data was no longer sufficient.

For this reason, the session on risk modelling during the forum will be complemented by online training events in November and December for supervisors to deepen their knowledge on the topic (see upcoming events below). For more details on lessons from the forum, consult the upcoming A2ii October [newsletter](#).

PARALLEL SESSION ON "USING DATA TO CLOSE THE GENDER PROTECTION GAP – SUPERVISORY AND POLICY PERSPECTIVES" | ACCRA, GHANA | 25 OCTOBER



At the 2023 International Conference for Inclusive Insurance, A2ii held a parallel session on "Using data to close the gender protection gap – Supervisory and policy perspectives."

An opening message presented Argentina's efforts in collecting sex-disaggregated data, and supervisors from Zambia, Pakistan, and Lesotho discussed the importance of collecting and utilising data with a purpose, emphasising that every jurisdiction has unique dynamics that must be addressed.

A key takeaway was that data alone is insufficient. The data needs to be transformed into actionable information. Women may be low risk but are highly

vulnerable and this should be represented in the market. Therefore, it is vital to know where and why it is necessary to collect sex-disaggregate data to avoid burdening regulators and the industry. [The A2ii FEMA-Meter toolkit](#) for data collection simplifies data compilation for supervisors and aims to mainstream data collection throughout various jurisdictions.

From the panel, a clear message to fellow regulators emerged: **lead by example through organisational equality and use data on why women are excluded**, as statistics only reveal the gap's size. Supervisors should create an inclusive environment, fostering diversity in regulatory bodies and industries. Women's representation in leadership positions is vital. Gender is not the only protection gap. Data-driven policies and inclusive products are necessary. Industry and regulators should be more responsive to broader inclusivity, and internal capacity building is essential for sustainable change.

Upcoming events

INCLUSIVE INSURANCE TRAINING | 7 - 16 NOVEMBER

The [Inclusive Insurance Training programme](#) is offered in partnership with the Toronto Centre, AITRI, and IAIS. The main sessions 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.

CAPACITY BUILDING FOR INSURANCE SUPERVISORS: LEVERAGING ACTUARIAL SKILLS | 21 - 30 NOVEMBER

The [training](#) takes place from 21- 30 November 2023, on Tuesdays and Thursdays, in English, with a combination of online self-paced modules and live sessions, which include a range of lecture-based sessions, case studies, breakout sessions and quizzes.

This training targets supervisors from Sub-Saharan Africa and Caribbean, aiming at strengthening the understanding and implementation of the actuarial

concepts and tools necessary to support effective insurance supervision and regulation.

VIRTUAL WORKSHOP ON RISK MODELLING | 29 NOVEMBER AND 7 DECEMBER

In this workshop, organised as a follow-up from the 18th Consultative Forum that took place on 23 October in Ghana, participants will receive an overview of how risk modelling capabilities have advanced dramatically over the past few years, as the quantum and quality of data has increased exponentially, and data analytical capabilities and timely access to relevant data has improved. This has led to more innovative risk financing and risk mitigation programs.

The workshop will provide a deep dive into modelling, including how these models are built, how they can be used, what their limitations are and what resources are available to help supervisors regulate and use such models. [Visit our website for more information.](#)

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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