IAIS 25 YEARS

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

THE IAIS STRATEGIC PLAN 2020–2024

June 2019

Public

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 policy-holders 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 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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1 INTRODUCTION

This Strategic Plan sets out the High Level Goals (HLGs) and Strategies of the IAIS for the period 2020 to 2024. It describes a watershed moment for the Association: while the IAIS maintains its core functions of developing global standards, supporting implementation and contributing to global financial stability, the period ahead will see a change in emphasis toward applying these functions in ways that help our Members proactively respond to a rapidly changing global environment driven by technological innovation, shifts in consumer behaviour and societal challenges.

Over the past decade, standard setting bodies (SSB) and financial regulators have focused significant efforts on addressing the fault lines exposed by the global financial crisis. Insurance supervisors and the IAIS undertook an intensive period of policy work to address the weaknesses exposed by the crisis.

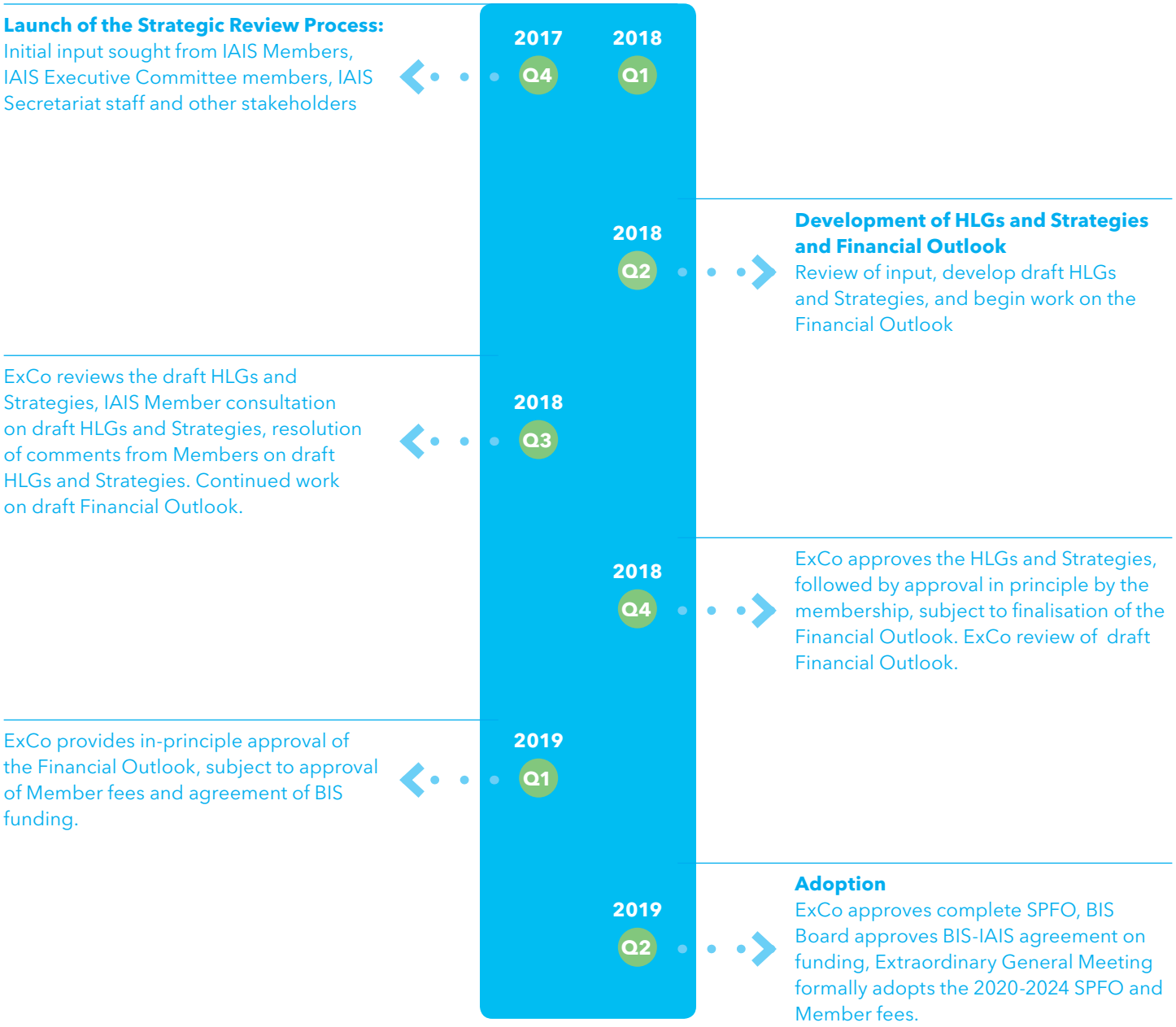
The IAIS has made significant progress on its post-crisis reform agenda, with the finalisation of the Common Framework for the Supervision of Internationally Active Insurance Groups – ComFrame – and a holistic framework for the mitigation of systemic risk in the global insurance sector expected before the end of 2019

From 2020 onwards, finalisation and implementation of agreed reforms remain a critical priority, but the focus will necessarily shift to the next horizon. The IAIS has identified trends and developments – such as FinTech, cyber risk, climate risk, and the challenge of sustainable development – that have the potential to reshape the business of insurance in the coming years. As the global community of insurance supervisors, the IAIS needs to evolve with these changes, keeping alert to the impact of these trends and developments on how we achieve our Mission and support the objectives of our Members.

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

2 STRATEGIC REVIEW AND PLANNING PROCESS

Development of this 2020-2024 Strategic Plan began in late-2017. Inputs were sought at an early stage from members of the IAIS Executive Committee, the wider IAIS membership, IAIS Secretariat staff and other stakeholders, including partner organisations, industry associations, individual insurers and insurer CEOs. The IAIS membership was invited to comment on a draft Strategic Plan in mid-2018.



3 ASSESSMENT OF TRENDS AND DEVELOPMENTS

As part of the strategic review and planning process, the IAIS identified a number of trends and developments in insurance markets and insurance supervision that are likely to affect the association's Mission over the course of 2020–2024. These include:

- Insurance markets are evolving quickly. New lines of business are emerging (eg cyber insurance) and existing lines of business are under market pressure. Convergence across sectors, through cross selling and product innovation, will continue.
- Finalisation and implementation of agreed reforms is critically important. Insurance markets are increasingly globally inter-connected, which requires an effective and globally-consistent approach to supervision of global insurance groups. Financial stability will require continued vigilance.
- Insurance market growth in emerging markets and developing economies (EMDEs) will exceed growth in advanced markets. EMDEs are also increasingly incubators of new technologies and approaches. Engagement with EMDEs will remain a priority.
- A number of emerging(ed) policy issues are impacting insurance and insurance supervision in a substantive way. This includes, for example, climate risk, aging populations, InsurTech, cyber risk, financial inclusion and sustainable development.
- An additional focus on implementation and supporting good supervisory practices is necessary. Many aspects of the new risk landscape and emerging(ed) policy issues do not require new supervisory standards so much as they require guidance to supervisors on how to apply existing standards to the changed environment. Meeting these needs will require greater support for facilitating peer exchange and targeted capacity building. In light of stretched resources, collaboration with partners to address capacity-building needs will be a priority.
- Culture and conduct are of increasing importance. Both prudential and conduct supervisors will be looking for a more holistic approach across prudential and market conduct approaches, recognising that conduct risk can also have considerable financial impact.

4 DEFINING OUR STRATEGIC DIRECTION

Under the 2020-2024 Strategic Plan, the IAIS recognises its core functions must evolve to respond to these trends and developments.

I. Assessing and responding to market developments
The IAIS anticipates shifting towards increased monitoring of new vulnerabilities and trends that are either emerging or accelerating and that could pose a threat to or opportunity for policyholder protection and financial stability.

II. Standard setting
Following a long period of extensive supervisory development work, the IAIS anticipates a period of greater stability for its supervisory material, while noting that it remains a priority to finalise delivery of an Insurance Capital Standard (ICS) through the monitoring phase in the coming SPFO period. Greater stability for the IAIS standards does not mean that the IAIS' core function as a standard setter will end. Rather, further changes to the IAIS' supervisory material must be guided by monitoring and assessing implementation and an orientation towards emerging and accelerating risks.

III. Supporting supervisory practices
The IAIS anticipates an increasing role in supporting supervisors to put our supervisory material into practice. Activities in this area will be informed by the IAIS' monitoring of market developments, emerging/accelerating risks and assessment of implementation gaps.

IV. Supporting observance of standards
With greater stability in the IAIS' supervisory material, the focus will necessarily shift to a greater emphasis on assessing implementation and facilitating supervisory capacity building.

V. Effective operations and transparency
The demands of responding to rapidly changing trends and developments will require careful stewardship of resources. The IAIS will continue its commitment to strengthening its governance, processes and controls to ensure effective and efficient delivery on our priorities.

The IAIS also recognises that transparency is essential for maintaining confidence in the IAIS' decisions and delivering on our strategy. The IAIS will continue to build on its efforts to proactively and effectively engage with its broad range of stakeholders.

Importantly, these core functions reflect a mutually reinforcing cycle of activities in support of the IAIS Mission – starting with the monitoring of global insurance market trends and developments, collective discussion on an appropriate response, through to the assessment of, and support for, implementation of these standards and good supervisory practices. Lastly, the outcomes of the assessment of implementation will feed back into the global monitoring, standard setting and supervisory practices work. Delivery of this cycle of activities is built on the foundation of effective and efficient operations and transparency.

Strategic themes

This integrated cycle of IAIS activities will focus heavily on certain key themes over the period of the 2020–2024 Strategic Plan, many of which are areas of common interest with other standard setting bodies, but also have a particular insurance sector perspective, including:

- Technological innovation – FinTech presents significant opportunities for financial inclusion and policyholder value, but also poses operational and underwriting risks. The rapid expansion in alternative data sources and advanced data analytics is of particular impact and has the potential to disrupt the insurance market;

- Cyber resilience – insurers are not only exposed to cyber risks but are also active takers of cyber risk through their cyber underwriting activities;

- Climate risk – insurers are exposed to both transition risk as institutional investors and physical risk from natural disasters through their underwriting, but can also be key agents in the mitigation and management of climate risk;

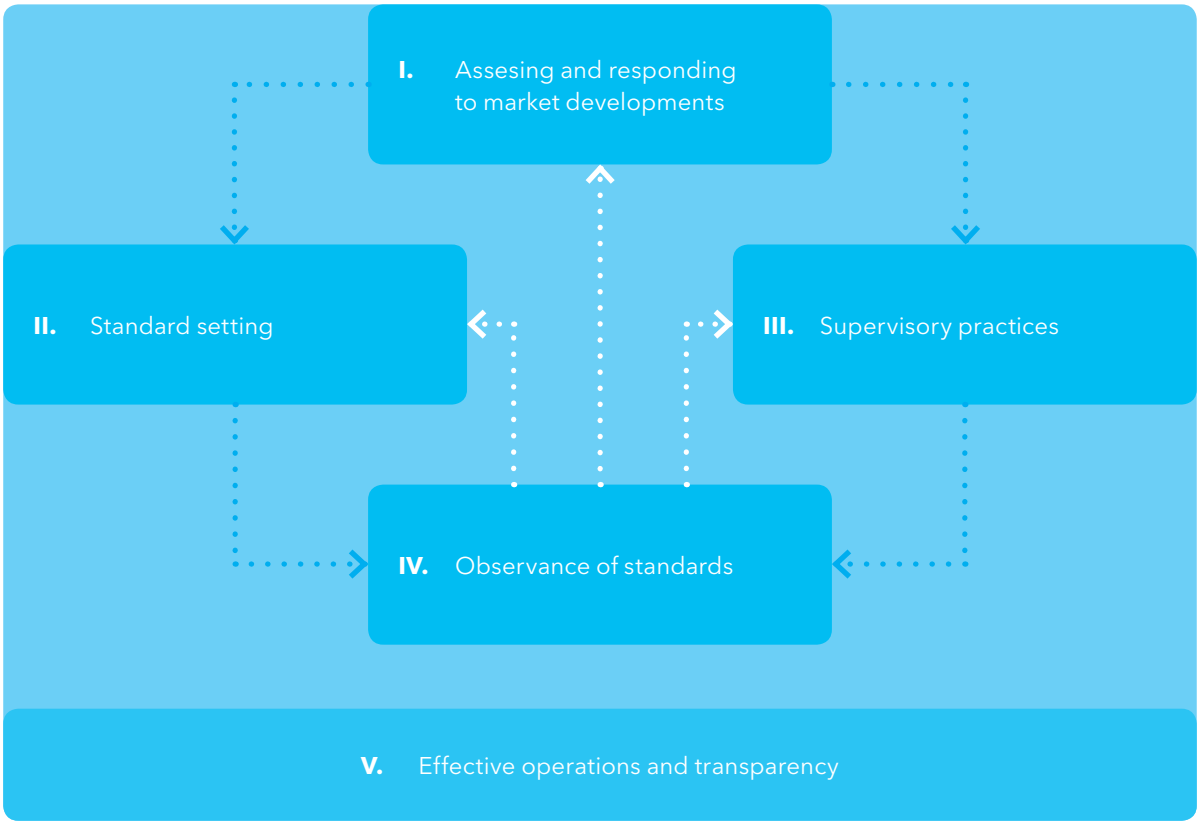
- Conduct and culture – technological changes to the insurance business model present new conduct challenges, such as the supervision of the use of advanced data analytics. A holistic approach to market conduct and prudential supervision is called for, recognising that conduct and culture issues could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

- Financial inclusion and sustainable economic development – insurance supervision has an important role to play in insurance market development and, more broadly, sustainable economic development, in the wider context of achieving the IAIS' Mission. Policyholder protection and contributing to financial stability are fundamental to ensuring the sustainable involvement of the insurance sector in closing the protection gap, including resilience to natural disasters and security in old age; supporting inclusive insurance markets; promoting sustainable long-term investment; and the development of the cyber insurance market in support of a more resilient financial system.

The IAIS will examine these themes, including by enhancing surveillance and the assessment of financial stability implications and by promoting strong supervision by guiding supervisors on how to respond proactively to these developments and creating platforms for peer-to-peer supervisory exchange on good practices. In these areas, the IAIS will look for opportunities for coordination and collaboration with other standard setting bodies and stakeholders that reflect our respective roles.

The HLGs and Strategies for the IAIS' 2020–2024 Strategic Plan reflect core functions of developing supervisory material, supporting implementation and contributing to financial stability but are reframed to reflect the integrated cycle of the IAIS' activities, the changing global context and key strategic themes. Together, these HLGs and Strategies will guide the work of the Association for the next five years.

Each HLG contributes to delivering our Mission to: promote effective and globally consistent regulation and 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 contibute to global financial stability.



Key: Blue lines show the progression between HLGs, whilst white lines relate to feedback loops. These interactions do not reflect governance or decision-making processes.

5 2020 – 2024 HIGH LEVEL GOALS AND STRATEGIES

HIGH LEVEL GOAL 1:

The IAIS assesses global market trends and developments in, or relevant to, the insurance sector and responds to issues that present opportunities, challenges and risks relevant to our Mission.

Description:

This HLG builds from the IAIS' position as the global body for insurance supervisors and captures the core competencies and our resulting comparative strengths to identify, assess and take appropriate steps to address insurance sector opportunities, challenges and risks at a global level.

The focus of this work would be on those opportunities, challenges and risks that could enhance or hinder achievement of the IAIS' Mission, specifically (i) fair, safe and stable insurance markets for the benefit and protection of policyholders; and (ii) contributing to global financial stability.

Strategies:

Establish and maintain a structure and process to:

1.1)

a) identify and assess trends and developments, in particular in the global economy and the broader financial sector, that could present opportunities, challenges and risks to the insurance sector, its business, regulation and supervision;

b) identify and assess trends and developments in the global insurance sector, and for individual insurers, that could present risks to the stability of the global financial system and economic activity;

c) assess any challenges and risks arising from gaps in the observance of IAIS' standards identified through assessments of implementation; and

d) in a timely fashion, develop collective responses that address these opportunities, challenges and risks, through either developing or amending standards (HLG2), enhancing supervisory practices (HLG3) or assessing and promoting observance of these standards and supervisory practices (HLG4).

1.2) Utilise or develop the different IAIS' quantitative and qualitative information bases to inform the identification and assessment of trends and developments.

1.3) Enhance the analytic reporting of the IAIS to inform Members and stakeholders about the main insurance opportunities, challenges and risks.

Operational considerations for achieving this HLG and Strategies

The IAIS will focus on those trends and developments that pose the greatest potential opportunities, challenges and risks to its Mission – ie covering microprudential risks, macroprudential risks and risks related to conduct of business.

The strategies under this HLG also cover the global monitoring exercise of potential systemic risk in the insurance sector, involving data collection and analysis at both an individual insurer and sector-wide level. The assessment of challenges and risks should also be informed by the IAIS' other activities to identify gaps in the observance of standards and effective supervisory practices through implementation assessment.

The strategies under this HLG also offer opportunities for coordination and collaboration with other SSBs and organisations, such as the FSB, that reflect our respective roles.

The IAIS will ensure that its broader assessment of global insurance sector trends and developments is informed by a robust evidence base, including:

- Outputs from an enhanced process for collecting qualitative information, from Members and other sources, on emerging trends and developments;
- Quantitative data collected for the monitoring and assessment of systemic risk as part of the holistic framework for mitigating systemic risk in the insurance sector and, to the extent relevant, other existing data sources collected by the IAIS for standard setting, such as ICS monitoring period data; and
- Outputs from macroprudential surveillance by Members at the local or regional level, recognising that vulnerabilities building up in certain jurisdictions may have crossjurisdictional implications, and vice versa, and that the interpretation of global trends will benefit from having a better understanding of the underlying trends at the jurisdictional or regional level.

The IAIS will build off its Global Insurance Market Report (GIMAR) and Key Insurance Risks and Trends (KIRT) survey to develop appropriate and targeted reporting of outcomes of the assessment to Members and, as appropriate, stakeholders. Reporting will distinguish between detailed analysis that helps inform collective discussion within the IAIS and a more general public report on IAIS analysis of opportunities, challenges and risks. Communication of the analysis and insights should be concise, impactful and audience specific.

HIGH LEVEL GOAL 2:

The IAIS sets and maintains globally recognised standards for insurance supervision that are effective and proportionate.

Description:

This HLG reflects the mandate of the IAIS as an SSB that responds to emerging opportunities, challenges and risks. The Strategies reflect a desire to balance this key mandate with the objective of providing more stability to our supervisory material after a long period of extensive policy work. This is accomplished, in part, through a strategic framework for assessing whether, and to what extent, further standard setting work is required.

Strategies:

2.1) Periodically review supervisory material based on feedback from the assessment of the implementation of supervisory material and utility of supporting material, assessment of insurance market trends and developments, and identification of gaps, including a process for strategic decision making on whether to develop additional and/or refine existing supervisory material.

2.2) Finalise outstanding aspects of the development of supervisory material (in particular, ComFrame and the ICS).

Operational considerations for achieving this HLG and Strategies

This HLG, in particular Strategy 2.1, reflects the IAIS' core mandate as a standard setting body. This Strategy will see the IAIS incorporate a more strategic approach to emerging trends such as cyber, climate risk, InsurTech, etc, as well as other prudential and conduct related issues to determine whether further standard setting work is necessary or whether opportunities, challenges and risks can be better addressed through enhanced supervisory practices or supervisory capacity building. An important consideration in this strategic approach is recognition of the need for more stability to the ICPs.

The IAIS' supervisory material needs to be effective in the sense that Members are able to implement the ICPs in a way that achieves the intended outcomes.

On-going policy work needs to be completed; in particular, the revision of ComFrame by the end of the ICS monitoring phase, to reflect implementation of the ICS as a PCR.

The IAIS will need to 1) implement the process for the confidential reporting of ICS Version 2.0 to supervisory colleges from 2020 to 2024 to effectively inform the finalisation of its design as a Prescribed Capital Requirement (PCR) for implementation by Members from 2025 onwards; and 2) develop criteria to assess, by the end of the monitoring period, whether the Aggregation Method provides comparable, ie substantially the same (in the sense of the ultimate goal), outcomes to the ICS.

HIGH LEVEL GOAL 3:

The IAIS supports its Members by sharing good supervisory practices and facilitating understanding of supervisory issues.

Description:
This HLG reflects the important role of the IAIS in supporting supervisors to put our supervisory material into practice. In addition, supporting material and activities in this area are informed by the assessment and decision-making arising from HLG 1 and could include topics such as FinTech, cyber risk, climate risk, the protection gap and inclusive insurance, amongst others. This HLG also supports key aspects of the operationalisation of the Coordinated Implementation Framework (CIF).

Strategies:

3.1) Develop high quality IAIS supporting material in forms that are:

a) most relevant to, and address the interests and demands of, insurance supervisors; and

b) based on implementation feedback, assessment of insurance market trends and developments, and identification of gaps.

3.2) Facilitate sharing of experiences and practices amongst supervisors to help them better understand emerging supervisory issues and proactively tackle supervisory challenges.

3.3) Build partnerships with other organisations and regional forums that share complementary objectives for strengthening insurance supervision and where there is alignment of strategic direction and key priorities.

3.4) Building from the Multilateral Memorandum of Understanding (MMoU) to strengthen supervisory cooperation and information exchange.

Operational considerations for achieving this HLG and Strategies

This HLG, in particular Strategy 3.1, will be operationalised through stronger governance and oversight of the process for initiating, reviewing and approving work on Issues Papers and Applications Papers so that they are more targeted and aligned with strategic priorities. Within this, the development of future supporting material should reflect the wider shift in the IAIS' priorities towards implementation and achieving a holistic approach across market conduct and prudential supervision. The forms and types of supporting material will need to be reviewed – for example, by making material shorter and more accessible.

Forums will be established for supervisors to discuss emerging risks in an agile and responsive way. Such peer exchange platforms will enable sharing of lessons and insights, but also emerging thinking on effective supervisory practices. Where these discussions suggest the need for active monitoring of risks and/or the development of new or amended supervisory material, these can be escalated for consideration as input into HLGs 1 and 2.

The IAIS will identify other organisations with complementary objectives of enhancing insurance supervision and explore ways to leverage off this work or build partnerships where this would advance the IAIS' strategic direction and key priorities. Where such opportunities exist, they should be governed by a clear oversight framework and allocation of respective roles and responsibilities. The IAIS will also partner with regional Member forums to further good supervisory practices.

The IAIS MMoU has become a widespread mechanism for supervisory cooperation and information exchange, but consideration will be given to continuous improvement in its implementation. In addition, the IAIS will support EMDE supervisory authorities undertaking the process to become a signatory of the MMoU.

HIGH LEVEL GOAL 4:

The IAIS assesses and promotes observance of its supervisory material.

Description:

This HLG supports the IAIS objective of globally consistent and effective implementation of the IAIS' supervisory material through assessing implementation, and supporting Members to implement this material through both promoting the importance of IAIS standards as a global framework and by facilitating supervisory capacity building.

Strategies:

4.1) Enhance and develop assessment activities to tailor to the diversity of IAIS Member needs by developing a mechanism for individual Member reviews, peer reviews and providing Members with self-assessment tools.

4.2) Increase transparency around implementation gaps and challenges (and whether comparable outcomes are being achieved) and promote better understanding of the IAIS' Mission and the role of the ICPs as a globally accepted framework for the supervision of the insurance sector.

4.3) Facilitate supervisory capacity building initiatives to address gaps and challenges in the implementation of IAIS standards and good supervisory practices.

4.4) Ensure insights gained from the assessment of observance feed back into the assessment of challenges and risks; to the development of, or amendments to, standards; and the sharing of good supervisory practices.

Operational considerations for achieving this HLG and Strategies

Credible and independent assessment of implementation of the IAIS supervisory material is critically important to supporting effective and globally consistent supervision. The IAIS' current approach to implementation assessment has three elements: (1) Member reviews; (2) enhanced peer reviews; and (3) self-assessments. In addition to the IAIS' existing assessment programme, it is anticipated that more intensive assessments of ComFrame (including monitoring of the use of ICS in supervisory colleges during the monitoring period) and supervisory policy measures forming part of the holistic framework for the mitigation of systemic risk in the global insurance sector, will be needed.

Assessments will increasingly be oriented towards providing recommendations on improvements in supervision, the implementation of which can be tracked over time to encourage greater convergence with the IAIS' supervisory material. Further, the insights gained from our assessment programme should be shared in regional Member fora and through targeted global communications on inconsistencies in, or challenges with, comprehensive implementation. Within this, the IAIS could increase its support to Members to explain jurisdiction-specific recommendations to relevant policy-makers, and promote understanding of the importance of the ICPs more broadly.

Partnering with organisations that share objectives related to capacity building has been integral to advancing the IAIS' capacity building objectives and has generated positive feedback from Members. Examples of these partnerships include the A2ii and the BIS' Financial Stability Institute (FSI), on activities such as High Level Meetings of senior insurance supervisors and regional training seminars, on-line training modules and webinar programmes (eg FSI Connect, FIRST ONE program), supervisory capacity building in actuarial services (with the International Actuarial Association (IAA) and A2ii), the Core Curriculum and other potential targeted initiatives. A more structured approach to partnerships in the future is important, recognising that partnerships are most likely to succeed when partners strongly agree on shared objectives and have clarity on respective roles and responsibilities.

Insights gained from assessment of observance – including Member capability, unintended consequences of IAIS supervisory material, and intelligence on regulatory arbitrage – will be collected as part of the wider assessment of insurance sector trends and developments and be reflected in the development of future standards and the provision of supporting material.

HIGH LEVEL GOAL 5:

The IAIS operates effectively, efficiently and transparently in delivering its Mission and in communicating with stakeholders.

Description:
This HLG reflects the IAIS commitment to improve its effectiveness and efficiency through strengthening our processes and controls, a greater emphasis on quality, alignment of resources to strategy, and impactful and transparent communication with internal and external stakeholders.

Strategies:

5.1) Consistently implement IAIS governance and internal controls.

5.2) Ensure internal resources are optimally aligned to effectively deliver on the IAIS' SPFO.

5.3) The IAIS Secretariat uses planning and control mechanisms to provide on-going coordination and disciplined prioritisation in line with the IAIS' strategic direction.

5.4) Optimize the meeting planning and preparation processes within the Secretariat, including alignment of main committee meetings and our strategic planning and control cycle.

5.5) Develop and implement a strategy for proactive and consistent communications with internal and external stakeholders, utilising new channels and tools for communication where relevant.

Operational considerations for achieving this HLG and Strategies

Over the course of the 2015–2019 SPFO, significant progress was made in enhancing the governance and internal controls of the Secretariat. The above HLG builds off this progress, while signalling the IAIS' on-going commitment to robust governance and internal controls.

The Secretariat plans to further align resources to the delivery of this Strategic Plan. One example is in the area of Human Resources, where the staffing concept for the Secretariat is moving to a more functional structure, better aligned with the revised HLGs.

Greater emphasis on the role of the Secretariat in supporting coordination across workstreams is anticipated. At present, the IAIS utilises a variety of tools for planning, executing and monitoring its activities. The Secretariat intends to develop a more integrated mechanism that can ensure better coordination of activities.

To deliver more efficient planning and execution of the IAIS activities, alignment between the IAIS' meeting schedule and our strategic planning and control cycle is necessary. From 2020, the timing of the IAIS' main meetings will be planned to better feed into the IAIS' annual Roadmap development cycle. In addition, there will be an increased focus on enhanced processes and planning of the IAIS' various meetings so as to efficiently facilitate the IAIS' work.

Improvements have been made to the IAIS' communications with stakeholders over the course of the 2015–2019 SPFO, in particular through the development and delivery of a new Stakeholder Engagement Plan. However, the impact of the Association's external relations could be further enhanced through strengthening our strategic communications and better utilising modern communications techniques and social media. Attention will also be given to continuously improving transparency – particularly in relation to our decision-making processes – to our Members and external stakeholders, in line with the Stakeholder Engagement Plan.

Resources

Over the course of the IAIS' 2015–2019 Strategic Plan, the scope, intensity and complexity of the projects undertaken by the IAIS increased significantly. This reflects the continued growth in the IAIS work programme, with the development of the ICS, finalisation of ComFrame and our financial stability activities being particular drivers of increasing resource needs.

At a time of increased pressure on public sector entities, the IAIS also recognises the need to continue efforts to find ways to more efficiently deliver on its activities. To achieve further efficiency over the 2020–2024 SPFO period, a number of initiatives have been established within the Secretariat to identify additional operational improvements and cost savings.

The 2020–2024 SPFO does not set out a significant increase in the scale of IAIS activities but rather a shift in focus in line with the revised HLGs and new strategic themes. This pivot is accompanied by a rebalancing of, rather than an increase in, the Secretariat resources. The IAIS will also make broader use of partnerships where such relationships are viewed to support our strategic objectives. Over the course of the 2015–2019 SPFO, the implementation activities of the IAIS were supported by a large number of partners. This enabled the IAIS to increase the impact of our implementation programme, at a lower cost than if the IAIS were to provide the activities itself. This model will be explored further over the course of the current SPFO, including with respect to other activities of the Association.

Governance

The governance structure of the IAIS is designed to provide assurance that workstreams and projects are planned and carried out in accordance with the IAIS By-Laws and in alignment with the IAIS' Mission and Strategic Plan and delivered with an agreed annual budget.

Over the course of 2018, some important changes to the Association's governance structure were introduced, both in terms of its Committee structure and in the composition of its Executive Committee, which is equivalent to the board of directors for the IAIS. Both of these changes were introduced in anticipation of the strategic direction of the 2020–2024 SPFO, and in support of its HLGs, as outlined below.

From January 2018, the main Parent Committees under the Executive Committee were rearranged to better reflect the IAIS' core functions and HLGs. Specifically:

- The Implementation and Assessment Committee (IAC) is responsible for the oversight of activities related to the assessments of, and assistance in, the implementation of IAIS principles, standards and guidance;
- The Macroprudential Committee (MPC) is responsible for oversight of the IAIS' work on issues related to financial stability, systemic risk, macroprudential supervision and surveillance, and – more broadly – monitoring and assessment of global market trends and developments in, or relevant to, the insurance sector; and
- The Policy Development Committee (PDC) is responsible for the oversight of the development of ICPs and Standards, and other documents related to insurance supervision.

The MPC contributes to the delivery of HLG1 and HLG2 (particularly with respect to financial stability issues), PDC to HLG 2 and IAC to HLGs 3 and 4, although there are areas of overlap, which are managed through the IAIS' internal coordination mechanisms and structures.

At the IAIS AGM in November 2018, the general Membership adopted changes to the composition of the Executive Committee. This was informed by recommendations from the IAIS' SPFO Task Force on the most effective governance arrangements necessary to implement the 2020–2024 Strategic Plan.

Given the strategic objectives of finalising key reforms dealing with supervision of global insurance groups, while pivoting to a set of emerging issues, the changes to the governance structure were introduced to not only support the continuous participation of the group-wide supervisors of the major internationally-active insurance groups (IAIGs) and markets, but also to continue to reflect the diversity of the IAIS' Membership.

The changes to the Executive Committee composition that were introduced in November 2018 achieve this through:

- The introduction of voting members of the Executive Committee that represent Standing Jurisdictions;[1]

- Maintaining geographic diversity through voting members in the Executive Committee selected by IAIS Regions. The number of Executive Committee seats for some Regions was increased based on the market size and number of Members in the Region – specifically, two extra seats each for the North America, Western Europe and Asia Regions, and one extra seat each for the Sub-Saharan Africa and Central and Eastern Europe and Transcaucasia Regions;

- Incorporating views of non-supervisory Members of the IAIS at the Executive Committee, which resulted in the Federal Insurance Office (FIO) of the US Treasury and European Commission (EC) being eligible to select a representative for non-voting Executive Committee member status; and

- Benefiting from the views of "Double Hatter"[2] central bank Members of the IAIS at the Executive Committee. The minimum number of "Double Hatters" on the Executive Committee has been increased from three to five, who would be non-voting members if not already selected as a voting member by a Standing Jurisdiction or by a Region.

In combination, these changes to the IAIS Committee structure and Executive Committee composition are expected to strengthen the Association's ability to deliver on its 2020–2024 HLGs and Strategies.

[1] "Standing Jurisdictions" are defined as major global insurance markets that meet criteria set out in the IAIS Members Handbook.
[2] "Double-Hatters" refers to Members of the IAIS who are also members of the Board of Directors of the Bank for International Settlements (BIS).