

Newsletter

November/December 2020

Issue 100



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

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Calendar Notes

The IAIS is pleased to share that this year's Annual General Meeting (AGM) and Annual Conference, held virtually from 2-4 December, gathered a record number of attendees – 329 IAIS Members joined the AGM, while the Annual Conference attracted over 720 participants.

From the Secretary General

As we come to the end of a year that has unfolded so differently than any of us could have predicted, I would like to begin by expressing my sincere gratitude to our Members, our stakeholders, the Executive Committee and the Secretariat for their dedication and resilience in this intense and demanding time.



Although I am wary of writing in terms of highlights when speaking about this year, I will say that I am very proud how the IAIS has

continued to deliver on its Mission and serve its Members effectively. This year has been a lesson in adapting rapidly to changing circumstances. The pandemic demonstrated the IAIS' ability to learn quickly, to adapt and to take bold action.

We have successfully transitioned to the virtual world while keeping our momentum, pivoting to ensure that we could address the repercussions and implications of the pandemic in their immediacy, while also progressing key projects and activities.

The relevance of our key post-crisis reforms has increased in light of the pandemic. The Global Monitoring Exercise (GME), in its first year, was repurposed to give us a rich source of data to monitor the impact of the pandemic directly. The first year of the Insurance Capital Standard (ICS) monitoring period provided a real-time test of how the ICS behaves in stressed conditions. Covid-19 has underscored the importance of being able to find global solutions to global challenges and the importance of cooperation, collaboration and being able to speak a common supervisory language.

While addressing the impact of Covid-19, we also managed to progress key themes that we had already pinpointed as important to the future of insurance. Covid-19 has acted as a catalyst, further accelerating many of these themes. I'm especially proud of the pioneering work we did in the area of climate risk. Not only did we publish two important papers (one on the TCFD Recommendations, the other a comprehensive guide to applying our ICPs and standards to the supervision of climate risk), we also adopted our own Environmental Policy, first of its kind amongst standard-setters, which will guide our performance on environmental issues as an Association.

Our plans for next year are no less ambitious. Our work programme has four elements:

- Risk assessment and the maintenance of financial stability, including ongoing assessment of potential vulnerabilities arising from the impact of Covid-19;



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Comments and suggestions are always welcome.

- Delivering on key post-crisis reforms, including further refinement of the ICS during the current five-year monitoring period and the consistent implementation of the Holistic Framework;
- Addressing the risks and opportunities of key trends, especially those accelerated by the Covid-19 crisis, like technological innovation, cyber risk, climate risk and financial inclusion to address the protection gap. Diversity and inclusion and helping Emerging Market and Developing Economies shift to risk-based supervision will also factor heavily in IAIS work; and
- Implementation support and assessment, specifically reinforcing our extensive programme of member support to help insurance supervisors understand and implement our standards.

While 2020 has been an incredibly challenging year, it has also provided a very valuable moment of reflection. The Covid-19 pandemic has shone a spotlight on the susceptibility of societies and world economies to long-tail systemic shocks and raised awareness of these perils. The insurance sector is going to be front and centre in helping to build back more resilient societies. At the same time, at an operational level, Covid-19 has forced us to become more innovative and agile in how we pursue our mission as an Association. Both of these forces create the foundation for an incredible opportunity to progress our strategic objectives over the next few years.

I look forward to helping steer this next chapter in my second term as Secretary General. Once again, thank you all for your commitment and contributions.

Jonathan Dixon, Secretary General

In Focus...

Annual Conference highlights importance of implementing agreed reforms

The IAIS hosted its 27th Annual Conference on 3-4 December, for the first time in a virtual format. Participants at the conference heard the IAIS' assessment of how the insurance sector was affected by Covid-19 in the first half of 2020, with the insurance sector, so far, acting as

a shock absorber, rather than an amplifier of vulnerabilities. Solvency ratios of global insurance groups generally continue to be well above jurisdictional capital requirements.

During the Town Hall, the Executive Committee (ExCo) updated on the IAIS' work on the analysis of the impact of Covid-19 and its efforts to support

Members' supervisory responses to ensure that the insurance sector remains resilient in the face of the Covid-19 pandemic. ExCo members highlighted how the implementation of the Holistic Framework and ComFrame had provided them with the tools they needed to effectively respond to the crisis. These

"The experience of this year has highlighted the importance of the reforms we agreed last year; they have provided us with a common international language and common concepts with which to communicate and analyse risks to the insurance sector." Vicky Saporta

reforms provide a common approach to assessing and mitigating financial stability risks. ExCo members addressed questions from the audience of more than 720 participants. Questions considered the IAIS' work on climate change, cyber risk, pandemic coverage, financial inclusion plus culture and conduct.



Distinguished Fellows

During the Annual Conference, two Distinguished Fellows were honoured for their exceptional contributions to the IAIS. Elise Liebers, formerly Senior Director of Financial Regulatory Affairs – International Policy and Market Surveillance at the National Association of Insurance Commissioners (NAIC) was the first to receive the honour. ExCo Chair, Vicky Saporta, spoke about the significant contribution Ms. Liebers made to the IAIS, serving most recently as Chair of the Policy Development Committee and also as Vice Chair (and three times as Acting Chair) of the former Financial Stability/Financial Stability and Technical Committees. Hiroshi Ota, formerly Deputy Commissioner for International Affairs at the Japan Financial Services Agency (JFSA), was also honoured as a Distinguished Fellow. During his three years on the IAIS ExCo, Mr. Ota made substantial contributions to the work of the IAIS, sitting on committees and contributing to numerous outreach activities. Vicky thanked both Distinguished Fellows for their contributions and commitment to the IAIS.

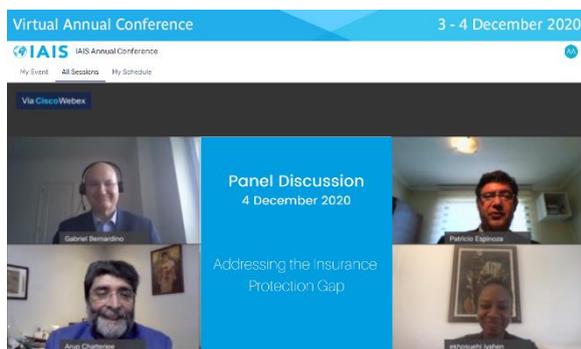


Managing climate risk

On the second day of the Annual Conference, the IAIS hosted two panel discussions. The first discussion on management of climate change risk was moderated by Geoff Summerhayes, Executive Board Member, Australian Prudential Regulation Authority (APRA) and until recently Chair of the Sustainable Insurance Forum (SIF). The panel explored the role of insurers and insurance supervisors in embedding the management of climate risks into business and supervisory practice. Panel members discussed the practical steps to effectively integrating climate risks into enterprise risk management and the challenges to developing effective financial disclosures that capture climate risk. The panel agreed on the importance of common frameworks, such as the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), to provide for greater alignment of disclosures, which is particularly important for insurers as they seek to assess and mitigate climate risks on both sides of their balance sheets.



Closing the protection gap



The second panel of the day, moderated by Gabriel Bernardino, Chair of the European Insurance and Occupational Pensions Authority (EIOPA), explored activities that insurers, supervisors and policymakers have undertaken to increase insurance penetration and to improve access to insurance. The panel discussed risk-sharing approaches to address the insurance protection gap, including public/private partnerships, where the panel agreed supervisors should be part of such dialogue. The panel also considered innovations such as parametric insurance, which provides one

way of reducing costs for the provision of insurance in emerging markets and developing economies and, thereby, helps to reduce the protection gap. The panel highlighted the effects of the acceleration of digitalisation spurred by the Covid-19 pandemic in helping overcome barriers to insurance distribution and processing, as well as the accompanying challenges to the fair treatment of customers.

The 27th Annual Conference programme, presentation and replay videos can be accessed [here](#).

For more information find the press release [here](#)

IAIS Annual General Meeting

This year's Annual General Meeting (AGM), on 2 December, was held virtually, allowing for more participation than in past years. The AGM gathered a record 329 participants.

The AGM saw the completion of a number of business items, including the adoption of the 2019 Annual Report of activities, approval of the audited financial statements, election and re-election of Executive Committee members and approval of the admission of five new IAIS Members.

Annual Address of the Executive Committee Chair

Executive Committee Chair, Vicky Saporta, addressed IAIS membership by first outlining the Association's pivot in response to Covid-19. In particular, she highlighted key pandemic-related initiatives undertaken by the Association. The Chair also reviewed some of the initiatives undertaken by the IAIS that are intended to help its Members respond to Covid-19.

The Chair then provided Members with updates on key existing projects such as the ICS, the Holistic Framework, Comframe, Assessment and Capacity Building and the development of supporting material. Finally, the Chair's address outlined key areas of the IAIS' future focus, which includes: financial stability and the monitoring of risks as well as future trends such as climate risk, technological innovation, pandemic risk and the protection gap, as well as diversity and inclusion in the insurance sector.

The Chair also informed Members that Jonathan Dixon's – IAIS Secretary General – contract had been renewed for another three years.

Reports from the Secretary General, Chair of ARC and Chair of Budget Committee

In his report to the General Meeting, Jonathan Dixon, IAIS Secretary General, outlined how the IAIS had adapted quickly in response to Covid-19 and further underscored the relevance of delivering on the implementation of key post-crisis reforms against the backdrop of Covid-19. He further provided an update on progress to date with respect to delivering on the 2020-2024 Strategic Plan and thanked Members and Secretariat staff for their resilience over the past year.

Geoff Summerhayes, Chair of the Audit and Risk Committee (ARC), provided a report to the Membership on: (i) the main risks overseen by the ARC and (ii) the effectiveness of internal controls and management actions over the past year.

Subhash Khuntia, Chair of the Budget Committee (BC), provided the Membership with an overview of the Association's budget and fees for 2021.

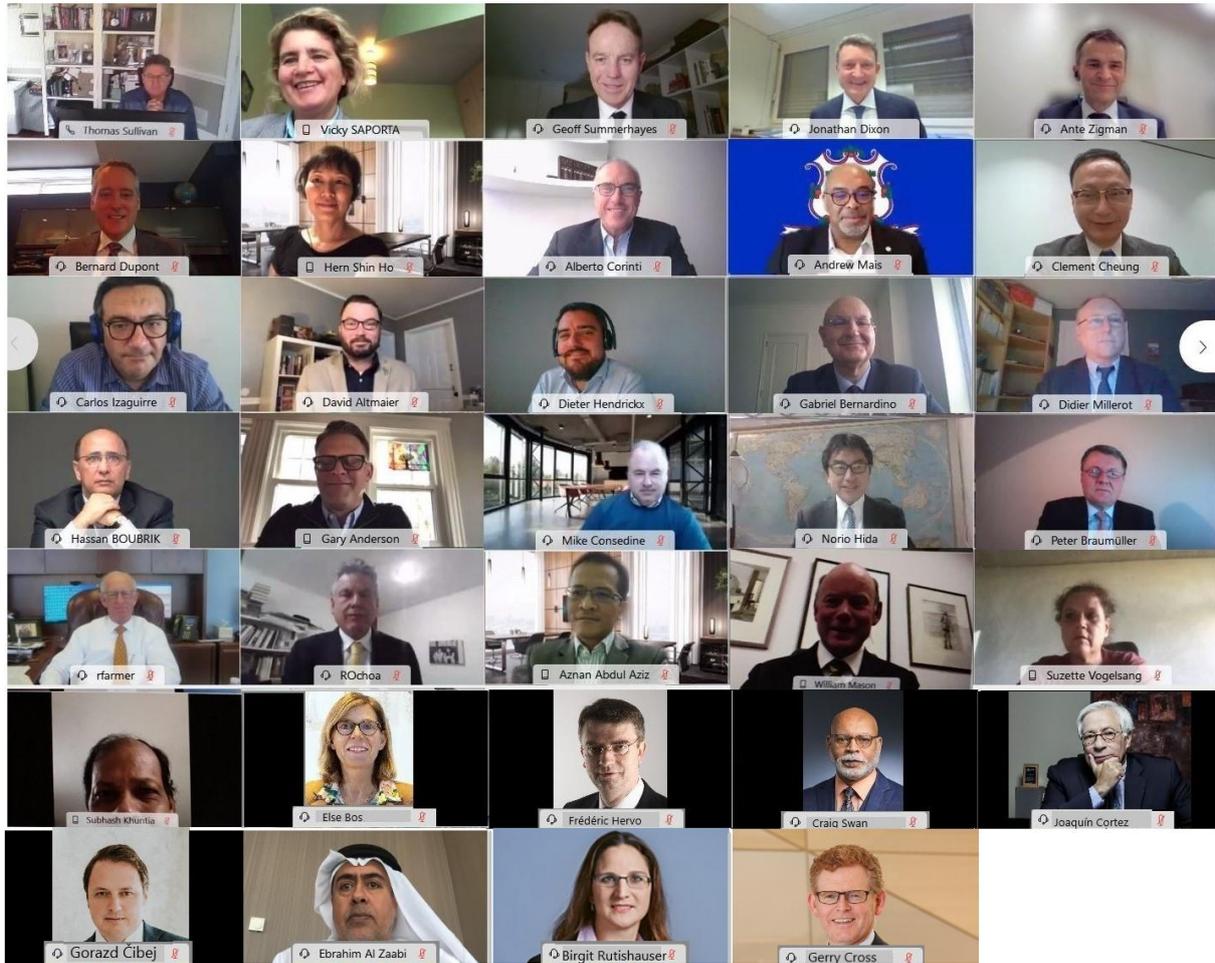


Photo of the IAIS Executive Committee on 2 December 2020 webex

Admission of New Members

We welcomed the following new IAIS Members, admitted by the General Meeting of Members:

- Angolan Insurance Regulation and Supervision Agency (Angola);
- Financial Services Regulatory Authority of Ontario (Canada);
- International Financial Services Centres Authority (India);
- National Bank of Ukraine (Ukraine); and
- Insurance and Pensions Commission (Zimbabwe).

News Updates

IAIS adopts an Environmental Policy

On 2 December, the IAIS published its own Environmental Policy. As part of its Strategic Plan 2020-2024, the IAIS has identified climate risk and the challenge of sustainable development as key themes. The IAIS already carries out various activities at the policy and analytical level to support Member supervisors' efforts to integrate climate-related risks into their insurance supervision and to support sustainable development of the insurance sector.

The IAIS has now developed an Environmental Policy aimed at guiding the IAIS' own performance on environmental issues. The following key areas of activities are in scope:

- The frequency of and logistics around meetings and events;
- Secretariat travel; and
- Working practices.

The Policy includes strategic objectives and metrics to monitor and report on progress, for instance on the carbon footprint of travel associated with in-person meetings and events of the IAIS. Starting in 2021, the IAIS will report annually on the progress made with respect to the objectives and targets, as part of the IAIS Annual Report.



INTRODUCING:
IAIS Environmental Policy

25% REDUCTION IN CARBON FOOTPRINT*

- Reduced in-person meetings and events
- Offset secretariat travel carbon emissions
- Improved awareness of sustainable use of office resources
- Increased transparency and reporting

*by 2024

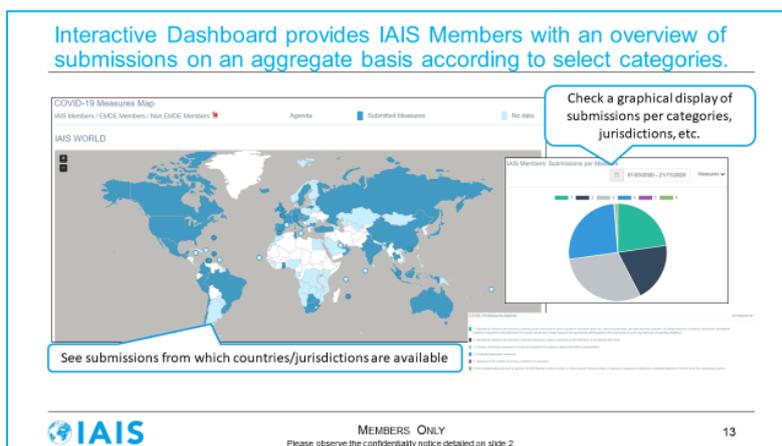
The graphic also features a central CO2 icon with a downward arrow, surrounded by terms like Sustainable Development, Climate change, Environment, Energy saving, and Industry.

The Environmental Policy is available on the [IAIS website](#).

Introducing the database of Covid-19 related policy and supervisory measures

Helping our Members respond to the Covid-19 pandemic has been a key priority for the IAIS since the beginning of the crisis.

Starting in March, IAIS Members from all over the globe have submitted responses to an IAIS survey asking about the key regulatory, supervisory and other financial policy measures taken in responses to Covid-19. The information was collected to facilitate information exchange between insurance supervisors and to identify common approaches and potential areas for coordinated responses by the IAIS.



Interactive Dashboard provides IAIS Members with an overview of submissions on an aggregate basis according to select categories.

Check a graphical display of submissions per categories, jurisdictions, etc.

See submissions from which countries/jurisdictions are available

COVID-19 Measures Map
IAIS Members / ENIC Members / Non ENIC Members
Agents | Submitted Measures | No data

IAIS WORLD

IAIS Members' Submissions per Jurisdiction (01/03/2020 - 31/12/2020)

MEMBERS ONLY
Please observe the confidentiality notice detailed on slide 2

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With the launch of the new database in the coming days, Members will have a simplified and more detailed way to both share and interact with the data collection. Key features of the database include more efficient submission, more effective search of measures and an interactive dashboard which provides IAIS Members with an overview of submissions on an aggregate basis according to selected categories and regions.

The database will soon contain 130 submissions from more than 70 jurisdictions, compiled and available for IAIS Members.

The online data base will be available to IAIS Members only and can be found at the IAIS Members Extranet.

For questions or assistance contact: IAISCovid19supervisoryresponses@bis.org

Ongoing consultations

The IAIS Executive Committee has approved the release of three documents for public consultation:

- [Draft definition of comparable outcomes and high-level principles to inform the criteria that will be used to assess whether the AM provides comparable outcomes to the ICS](#) (deadline for comments: 22 January 2021)
- [Development of Liquidity Metrics: Phase I – Exposure Approach](#) (deadline for comments: 7 February 2021)
- [Application Paper on Resolution Powers and Planning](#) (deadline for comments: 5 February 2021)

The consultation documents, as well as the link to the consultation tool for submitting feedback, can be found on the respective consultation pages.

On 30 November, the IAIS hosted a public background session via webinar to provide background on the papers related to liquidity metrics and resolution. The consultation related to comparable outcomes was introduced during the IAIS Annual Conference – [Town Hall](#) – on 3 December. The materials and recording of each of these sessions are available on the [IAIS website](#).

In addition to these consultations, which were launched in November, feedback is also still invited on the Draft [Application Paper on the Supervision of Climate-related Risks in the Insurance Sector](#), which was launched in October with comments due by 12 January 2021.

IAIS publishes its 2019 Annual Report

It seems a long time ago, but achievements in 2019 laid the foundation for us to navigate the challenges of today successfully. We adopted a series of significant post-crisis reforms, agreed on a pathway forward for the ICS and set a new direction with the adoption of our 2020-2024 Strategic Plan and Financial Outlook. The IAIS' achievements in 2019 represent the culmination of many years of hard work and dedicated collaboration.

IAIS KEY ACCOMPLISHMENTS 2019



To learn more about our work and achievements, view the 2019 Annual Report [here](#).

Global Seminar and Annual Conference 2021-2022

Given the ongoing uncertainties of the Covid-19 pandemic and the global measures being taken to contain it, the IAIS Executive Committee has agreed, with regret, that the Global Seminar planned for Vancouver and the Annual Conference planned for Sydney will no longer take place in these cities. Thank you to the British Columbia Financial Services Authority and the Australian Prudential Regulation Authority, who had been due to host these events, for the continued support and cooperation.

The Global Seminar planned for June 2021 will now be a virtual event. Details on the November 2021 Annual Conference will be announced early next year.

We are pleased to confirm that the June 2022 Global Seminar will be hosted by the Croatian Financial Services Supervisory Agency in Croatia.

Meetings and Events

Upcoming IAIS Meetings: December 2020 – January 2021

In line with the decision taken at the November Executive Committee meetings, all in-person IAIS meetings until May 2021 will be replaced with virtual meetings, as appropriate.

Members should visit the IAIS website at www.iaisweb.org for the latest updates. The following groups are scheduled to meet virtually between December 2020 and January 2021:

| Date | Group |
|----------------------|---|
| December 2020 | |
| 2 December | Annual General Meeting |
| 2 December | Executive Committee |
| 3-4 December | Annual Conference |
| 3 December | Accounting and Audit Working Group |
| 7 December | Insurance Groups Working Group |
| 9 December | Governance Working Group |
| 9 December | Macroprudential Committee |
| 10 December | Market Conduct Working Group |
| 10 December | Operational Resilience Task Force |
| 14 December | Executive Committee |
| 14 December | Insurance Groups Working Group |
| 15 December | Infrastructure Task Force |
| 17 December | Capital, Solvency and Field Testing Working Group |
| January 2021 | |
| 20 January | Macroprudential Supervision Working Group |
| 21 January | Capital, Solvency and Field Testing Working Group |
| 26 January | Insurance Groups Working Group |
| 26 January | Infrastructure Task Force |
| 27 January | Macroprudential Monitoring Working Group |
| 27 January | Operational Resilience Task Force |
| 28 January | Standards Assessment Working Group |

Stakeholder Meetings

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

Seminars and Training

Third IAIS-FSI-AFIR Asia-Pacific high-level meeting on insurance supervision | 1 December 2020

Jointly organised by the Asian Forum of Insurance Regulators (AFIR), the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) and the IAIS, this high-level meeting brought together representatives of the insurance supervision authorities from the Asia-Pacific region to discuss the challenges supervisors and regulators face in a post-pandemic world.

Vicky Saporta, IAIS ExCo Chair, presented an overview of the IAIS' response to the Covid-19 pandemic, as well as key insights on its current and future effects on the insurance sector and its supervision. A panel including Subhash C Khuntia, Chairman (IRDAI, India), Mary-Cecile Duchon, Deputy Director, International Affairs Directorate (ACPR, France), and Fabio Marchetti, Group Head of International Affairs, Assicurazioni Generali S.p.A., discussed the insurance sector under the new normal and the corresponding adaptation of regulatory and supervisory approaches. Jonathan Dixon, IAIS Secretary General, moderated a roundtable where AFIR members shared their views on 2021 regulatory and supervisory priorities, and measures that could be put in place to enhance resilience of insurers.

Career Opportunities

IAIS invites applications

Exceptional leadership opportunity!

The IAIS is inviting applications for the position of [Head of Operations and Implementation](#) with the IAIS Senior Management Team. The successful candidate will lead and manage members of the Secretariat in the areas of risk assessment, standard setting, supervisory practices and implementation assessment and support, as assigned. They will oversee the support given to the IAIS committees and subcommittees, in addition to developing and maintaining strategic relationships with partners and stakeholders, representing the IAIS in regional and international fora and managing key operational functions.

Exciting expert opportunity!

The IAIS is inviting applications for the position of [Senior Policy Advisor – Financial Stability](#) to support the IAIS' financial stability work.

The successful candidate will support the IAIS' activities in assessing global insurance market trends and developments and the possible build-up of systemic risks, including collecting and analysing data from individual insurers and IAIS member supervisors – as part of the IAIS' Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector. Immediate responsibilities will include supporting the IAIS' work on the potential financial stability risks to the insurance sector of climate change.

Please view the links above or contact iais.recruitment@bis.org to learn more.

Appointments

Appointments

The Executive Committee on December 2:

- Re-elected Vicky Saporta (UK, PRA) as Chair of ExCo;
 - Re-elected Suzette Vogelsang (South Africa, PA) as third ExCo Vice Chair with specific focus on Emerging Market and Developing Economy (EMDE) members; and
 - Re-elected David Altmaier (USA, Florida), as ExCo Vice Chair.
-

The Executive Committee recently made the following appointments:

- Krishna Kundu (USA, FIO) as member of the ARC; and
- Illijana Jeleč (Croatia) as member of the ARC.

The Executive Committee recently made the following re-appointments:

- Marcelo Ramella (Bermuda) as Vice Chair of the Macroprudential Committee (MPC);
 - Steven Seitz (USA, FIO) as Vice Chair of the MPC; and
 - Paolo Cadoni (UK, PRA) as Vice Chair of the Policy Development Committee (PDC).
-

The ARC recently appointed Frédéric Hervo as its new Chair, effective from 3 December 2020.

The Selection Committee recently made the following appointments:

- Paolo Cadoni (UK, PRA) as Chair of the Capital, Solvency and Field Testing Working Group (CSFWG);
 - Daniel Weijand (Switzerland) as Vice Chair of the Macroprudential Monitoring Working Group (MMWG); and
 - Andrew Shaw (USA, FIO) as Vice Chair of the Macroprudential Surveillance Working Group (MSWG).
-

The Selection Committee recently made the following re-appointments:

- Alex Hart (USA, FIO) as Chair of the Resolution Working Group (ReWG);
 - Gilbert Chin (Singapore) as Vice Chair of the CSFWG;
 - Francois Tempe (France) as Vice Chair of the ReWG; and
 - Harald Eschmann (Germany) as Vice Chair of the Standards Assessments Working Group (SAWG).
-

Committee and Subcommittee Activities

Committee Activities

Note: all meetings were held via video or teleconference in light of Covid-19. This will continue through to May 2021 as per the decision of the IAIS Executive Committee.

Budget Committee

The Budget Committee met on 11 November and approved a recommendation for submission to ExCo on the 2021 Budget and Fees.

Secretariat support: jay.muska@bis.org and joao.carneiro@bis.org

Executive Committee

The Executive Committee (ExCo) met on 4-5 November. This virtual meeting replaced the ExCo in-person meeting that was originally scheduled to take place on 4 November in Santiago de Chile.

On 4 November, ExCo:

- Discussed the progress of the Holistic Framework Baseline Assessment;
- Decided on the key design elements for targeted jurisdictional assessments of implementation of the Holistic Framework supervisory material;
- Approved the draft Application Paper on Resolution Powers and Planning; and
- Approved a package of documents to be circulated to group-wide supervisors for supervisory college discussions of the ICS.

On 5 November, ExCo:

- Appointed two new members of the ARC (see [“Appointments”](#) above);
- Approved the launch of the public consultation on the document “Development of Liquidity Metrics: Phase 1 – Exposure Approach”;
- In connection with the GME, approved the template of the Participating Insurer report;

- Discussed the progress of the Covid-19 targeted data collection;
- Approved the public consultation on the draft definition and high-level principles to inform the criteria that will be used to assess whether the Aggregation Method (AM) provides comparable outcomes to the ICS;
- Discussed the 2021-2022 Roadmap; and
- Discussed the draft IAIS Environmental Policy.

ExCo also met on 20 November to approve the submission of a report to the FSB SRC which provides an update on implementation of the Holistic Framework and Covid-19 targeted assessment.

Finally, ExCo met on 2 December. At this virtual meeting ExCo:

- Re-elected Vicky Saporta (UK, PRA) as Chair of ExCo;
- Re-elected Suzette Vogelsang (South Africa, PA) as third ExCo Vice Chair with specific focus on Emerging Market and Developing Economy (EMDE) members,
- Re-elected David Altmaier (USA, Florida), as ExCo Vice Chair; and
- Discussed planning for future meetings and milestone events.

Secretariat support: malene.duncan@bis.org

Implementation and Assessment Committee

The Implementation and Assessment Committee (IAC) invited Members from EMDE jurisdictions to a meeting on 30 November. Discussions touched on the implementation activities carried out during 2020, and those planned for 2021.

The first part of the meeting focused on identifying implementation needs, particularly for EMDE Members. Suzette Vogelsang, ExCo Vice Chair for EMDE Issues, and Regional Coordinators updated participants on past and future activities, as well as emerging implementation challenges, leading to a supervisory dialogue on shifting priorities of IAC and EMDE members.

During the second half of the meeting, the Chair of the IAC, the Secretariat, the Chairs of the Standards Assessment Working Group (SAWG) and the Signatories Working Group (SWG), presented progress reports on the IAIS' activities on assessment and implementation monitoring, supervisory cooperation, sharing supervisory practices and capacity building. Representatives from the FSI, the A2ii, the OECD, the IMF, the World Bank and the Toronto Centre, presented their 2020 activities, particularly those undertaken in response to the Covid-19 crisis, as well as planned activities for 2021.

Secretariat support: natalia.escobar@bis.org and akiko.nakamura@bis.org

- Data collection package for the Q4 2020 Covid-19 targeted assessment (for IAIS Member supervisors and insurance groups);
- To recommend to ExCo to publish the Global Insurance Market Report (GIMAR) – special edition on Covid-19; and
- The data collection package in support of the development of the GIMAR Special topic on climate change (for IAIS Member supervisors).

Secretariat support:
hane.vanvoorden@bis.org and
anna.aubel@bis.org

Policy Development Committee

The Policy Development Committee (PDC) met on 24 November to receive a presentation on initial high-level results from the 2020 ICS Data Collection.

Secretariat support:
grzegorz.komarnicki@bis.org
and yasuaki.ohara@bis.org

Macroprudential Committee

The Macroprudential Committee (MPC) met on 9 December and agreed on the following:

Subcommittee Activities

Accounting and Auditing Working Group

The Accounting and Auditing Working Group (AAWG) met on 3 December. During the meeting, the AAWG:

- Discussed the proposed 2021 Roadmap, including providing opportunities for supervisors to discuss implementation of IFRS 17;
- Discussed the transition period of the Monitoring Group reforms with a member of the FSB Secretariat; and
- Discussed the IFRS Foundation Trustees' proposal on establishing a Sustainability Standards Board.

Secretariat support: jay.muska@bis.org

Capital, Solvency and Field Testing Working Group

The Capital, Solvency and Field Testing Working Group (CSFWG) met on 12 and 18 November to discuss the initial aggregated results of the 2020 ICS data collection. Initial results of the 2020 AM data collection are planned to be discussed by CSFWG in January.

As the Analysis Team is not able to meet in Basel, the Secretariat began data analysis in November, following receipt of the data. The initial focus of the analysis was verifying the data and sending questions to Volunteer Groups to confirm the data submitted.

CSFWG will next meet on 17 December to continue discussion of results from 2020 ICS data collection. A Volunteer Workshop is being planned for February 2021 to discuss initial results of the 2020 ICS data collection.

Secretariat support: romain.paserot@bis.org and danita.pattemore@bis.org

Governance Working Group

The Governance Working Group (GWG) met on 9 December to finalise the draft Application Paper on Supervision of Control Functions to be presented for approval for public consultation. This Application Paper describes practices aimed at helping supervisors address issues related to the supervision of control functions as described in ICPs and ComFrame. In particular, the Application Paper supports observance of ICP 8 (Risk Management and Control Functions) and is relevant to ICPs 5 (Suitability of Persons) and 7 (Corporate Governance). The public consultation on this Paper is scheduled for the first quarter of 2021.

Secretariat support: grzegorz.komarnicki@bis.org

Infrastructure Task Force

The Infrastructure Task Force (ITF) met on November 10 in order to:

- Make progress on the design of the supplementary data collection on infrastructure and strategic equity (as part of the 2021 ICS data collection);
- Further discuss how to structure future stakeholder engagement; and
- Have a first overview of the 2021 work plan for the ITF.

The next meeting of the ITF will take place on 15 December.

Secretariat support: manuela.zweimueller@bis.org and aurelien.cosma@bis.org

Insurance Groups Working Group

The Insurance Groups Working Group (IGWG) met on 7 December to discuss the revised draft Application Paper on Supervisory Colleges and the next steps. The objective of the revision is to update the Application Paper to reflect revisions to ICPs 3 and 25, adoption of ComFrame and other relevant developments. The public consultation on this Paper is scheduled for the second half of 2021.

Secretariat support: grzegorz.komarnicki@bis.org

Macroprudential Monitoring Working Group

The Macroprudential Monitoring Working Group (MMWG) met on 13 and 25 November to discuss:

- Covid-19 Q4 2020 data collection packages;
- GIMAR 2020 Covid-19 edition;
- Participating insurers report 2020;
- Public consultation on the liquidity metrics; and
- GIMAR 2021, Special topic on Climate; and
- GME data collections and planning for 2021.

Secretariat support: nicolas.colpaert@bis.org

Macroprudential Supervision Working Group

The Macroprudential Supervision Working Group (MSWG) met on 17 November 2020, to discuss the draft of the Application Paper on Macroprudential Supervision. The MSWG agreed on a version to be distributed to Parent Committees (IAC and MPC) for a period of review. The paper is planned to be published for public consultation in March 2021.

Secretariat support: becky.easland@bis.org

Market Conduct Working Group

The Market Conduct Working Group (MCWG) met on 10 December to discuss:

- Certain significant conduct-related initiatives currently in progress in a few member jurisdictions;
- Next steps on the draft Issues Paper on Insurer Culture, currently being developed jointly with the GWG; and
- The imminent launch of a Member survey on the use of key indicators to assess insurer conduct.

Secretariat support: farzana.badat@bis.org

FSI-IAIS joint paper on supervision in the new normal

The FSI and the IAIS Secretariat are developing a joint paper on insurance supervision in the new normal. We are gathering information from selected insurance authorities on how supervisory processes have been adjusted during the pandemic and whether there might be some long-lasting impact. If you would like to share your authority's experience, please get in touch with Jeffery.Yong@bis.org by 21 December 2020.

Financial Stability Institute



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

FSI Connect

The FSI recently published a new suite of FSI Connect tutorials on the Holistic Framework that includes a practical scenario to calculate the Individual Insurer Monitoring score as part of the Global Monitoring Exercise.

FSI Programme 2021

Events specifically targeting insurance supervisors are as follows:

- 21 Apr ASSAL-FSI-IAIS High-level meeting for Latin-America on insurance supervision;
- 19-20 May FSI-IAIS-Prudential Authority, South Africa Insurance training virtual seminar (topic tbd);
- 9 Jun AFIR-FSI-IAIS High-level meeting for Asia-Pacific on insurance supervision;
- Aug-Nov 8th FSI-IAIS regulatory and supervisory (FIRST ONE) online course; and
- May-Jul FSI-IAIS pilot specialised insurance online course (SIOC).

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.

Covid-19

Covid-19 Insurance Supervisory Response Tracker

We have a [special page](#) on our website dedicated to tracking worldwide supervisory responses, insurance news and learning resources (such as webinars).

Feel free to share relevant news with us via secretariat@a2ii.org, by tagging Access to Insurance Initiative on [LinkedIn](#) or by mentioning us on [Twitter](#).

A2ii-IAIS Dialogues

The A2ii and the IAIS have held two exceptional Dialogues series: the series on the coronavirus (Covid-19) pandemic and implications for insurance supervisors (six webinars) and the pandemic risks webinar series (three webinars, two of which were open to all stakeholders). Some of the webinar presentations and recordings are available on our website under [past events](#) and on our [YouTube](#) channel. Summaries can be found on our [blog](#).

Recent events

Discussing regulatory approaches to digitalisation of inclusive insurance at the International Conference on Inclusive Insurance 2020 | 4 November

The [International Conference on Inclusive Insurance 2020 – Digital Edition](#) took place on 2-6 November 2020. The conference opened with the launch of the [2020 Landscape of](#)

[Microinsurance study](#), the latest in the Microinsurance Network's key Landscape series. Four key trends were picked out that set the tone for subsequent sessions: the continued rise of hospital cash insurance, the growing maturity of climate risk insurance, the debate of virtual versus human touch, and finally – concerns around consumer value. The last point would surely resonate with the insurance supervisory community.

On Day 3 Session 9, Hui Lin Chiew from the A2ii moderated a session on “How digitalisation can spur market growth: Insights from Egypt, Ghana, and Morocco”. Hosted by the GIZ, the session drew on a White Paper currently being prepared by GIZ and the discussions in Egypt, Ghana and Morocco on good practices in regulating mobile insurance. The White Paper itself will provide a tool to support regulators to self-assess the appropriateness of their regulatory and supervisory frameworks for mobile insurance.

Wolfgang Bucker, Head of Sector Programme Financial Systems Development at GIZ, opened the panel by reinforcing the importance of regulatory initiatives in digitalising insurance markets and collaborating with stakeholders in doing so. Andrea Camargo, consultant for the GIZ [presented the White Paper](#), highlighting three dimensions:

- i) The level of digitalisation of the insurance value chain allowed by regulation,
- ii) The possibility of using innovative providers and business models, and
- iii) The level of efficiency and collaboration of the authorities involved.

This set the scene for discussion and reflection among Matilda Strom, BIMA's Deputy CEO, Kofi Andoh, Deputy Commissioner of the National Insurance Commission (NIC) of Ghana and Mohamed Feriss, Head of Department at the national insurance regulator, *l'Autorité de Contrôle des Assurances et de la Prévoyance Sociale* (ACAPS).

What is it that makes digital or mobile insurance doable or not doable? The panelists summed up as follows. Flexible regulation that enables new insurance models is key – outdated laws and regulations need to be updated. Cooperation with other authorities and ministerial departments are important for getting

things done, as are clarity on which government entity owns decisions in which space and clear regulatory processes. At the same time, regulators need to build capacity to understand digitisation. One way is to be consultative, open and transparent with the industry. The final but critical piece is the strengthening of digital confidence through public awareness of digital technology.

Inclusive Insurance Innovation Lab update November – innovation month for iii-lab teams

After an analysis phase of roughly six months, the four iii-lab teams from Argentina, India, Morocco and Rwanda have now started work on defining possible innovations for their insurance sector. A2ii and Reos Partners are supporting the teams to adopt a design thinking methodology and ensure that innovations focus on customer needs.



Over five sessions, the multi-stakeholder country teams' goal was to come up with a handful of prototype solutions to develop their inclusive insurance market – to experiment with and implement on the ground in the next months. The ideas range from awareness-raising campaigns to products for informal workers and improving processes in the insurance industry to better serve its clients.

A2ii speaks at the 3rd Microinsurance Session “Agricultural microinsurance – a fundamental tool for risk management of vulnerable farmers” organised by the Central Bank of Paraguay (BCP)

This webinar, held 17 November, was a part of a three-event series on microinsurance in the

framework of the National Strategy for Education (ENIF). **Regina Simões** (A2ii) presented on regulatory and supervisory approaches to agricultural insurance, with emphasis on index-based insurance for small farmers. **Delfín Benítez** (Tajy Insurance Company) presented on Tajy's experience in implementing the first parametric agricultural microinsurance in Paraguay. The panel was moderated by **Christian Tondo**, director of the Financial Inclusion Department at the BCP.

Among the participants were representatives of the Central Bank of Paraguay, insurance companies, intermediaries, brokers and MNOs. The presentations and the recording of the event are available [here](#).

The webinar was supported by the GIZ and the Paraguayan Association of Insurance Companies.

A2ii – IAIS Supervisory Dialogue on Supervisory issues related to closing the retirement protection gap 26 November



Dialogues

The A2ii, in partnership with the International Organisation of Pension Supervisors (IOPS) organised an A2ii-IAIS Dialogue on closing the retirement protection gap.

Dariusz Stańko (Head of the Secretariat at IOPS), **Júlia Čillíková** (Chair of IAIS Retirement Income and Pensions Forum, Executive Director for Regulations & Financial Consumer Protection, National Bank of Slovakia) and **Miloš Zaťko** (Head of Pension Fund Supervision, National Bank of Slovakia) discussed the pensions income gap and the

role that supervisors can play in improving income at retirement, short term and long term impact of Covid-19 on pension funds and systems, and the overall supervisory measures and policy considerations.

Participants also heard from **Nzomo Mutuku** (CEO, Retirement Benefits Authority of Kenya), **Shri Pravesh Kumar** (General Manager, Pension Fund Regulatory and Development, India) and **Juan García Vadillo** (Director of Operations, National Commission of the Retirement Savings System, Mexico) who presented informative case studies from their jurisdictions.

For a detailed overview of what came up during the Dialogue, please view the presentations available on our website [here](#). The next Dialogue will take place on **28 January 2021**, and will explore the topic of **Accounting Standards/IFRS 17**. Keep an eye on our website [here](#) for more information and to register for the webinar.

Understanding Data Privacy to Advance Customer Protection in Vietnam, Indonesia & the Philippines | 27 November

On 27 November, the A2ii joined the GIZ-RFPI Asia webinar on data protection and privacy in Vietnam, Indonesia and the Philippines. The aim of the webinar was to discuss insights and findings from the [2020 study](#) commissioned by RFPI Asia in the three countries.

To kick off the session, **George Ongkeko**, Deputy Commissioner of the Insurance Commission of the Philippines (IC) highlighted the need for regulators to respond to data protection issues due to the rise of InsurTech and data-related risks, particularly in the context of the pandemic. **Meelendra Singh**, the author of the study, reaffirmed this in his presentation, sharing the impact and incidences of cyberattacks and data breaches.

All three countries have or are drafting comprehensive data protection legislation. Vietnam has a 2019 Decree on Personal Data Protection, a significant update over the previous 2015 guidelines. Indonesia is currently on the way to put the Personal Data Protection bill in place this year. The Philippines' Data

Privacy Act 2012 is the most mature. Singh ended the presentation emphasising that implementation needs to happen immediately, and practical and effective training for companies should be carried out.

Hui Lin Chiew from A2ii presented on the [insurance supervisory perspective](#) - how data protection relates to the mandates of supervisors and how supervisory approaches vary according to the legal and market context. The IAIS currently sees data protection as part of consumer protection, cybersecurity, and outsourcing risk. Supervisory approaches reflect this, as insurances supervisors usually build in data privacy considerations into risk-based supervisory frameworks, product approvals, consumer protection and cybersecurity requirements.

In closing, **Mr Imansyah**, Deputy Commissioner of the OJK Institute and Digital Finance Indonesia, affirmed the importance of the topic to Indonesia. Sharing the example of the Digital Finance education programme in Indonesia, he stressed that moving forward consumer education will be key.

Exciting new partnership between the Swiss Development Cooperation (SDC) and A2ii: Empowering supervisors to improve women's access to insurance

The A2ii is delighted to announce a new funding partnership with the Swiss Development Cooperation (SDC). This will be the first time the A2ii has collaborated with SDC and will enable the A2ii to increase its activities on women's financial inclusion.

Women's access to formal financial services, including insurance, remains a challenge worldwide for several reasons: Women are generally less financially literate and more likely to be excluded from the financial sector, with products and distribution not being designed to meet their needs. The Covid-19 pandemic is likely to have increased this inequality and affected women, disproportionately. The gender gap in digital inclusion further contributes to this divide, which is of particular relevance in the context of the Covid-19 pandemic, where digital means of doing business and communicating with customers has gained more importance.

Insurance regulators and supervisors are key to institutionalising a gender mindset in the insurance sector and designing and implementing policies that help build a more gender-inclusive ecosystem for women.

A2ii, through its upcoming project 'Empowering supervisors to improve women's access to insurance' aims at providing insurance supervisors with the knowledge and tools needed to create framework conditions that facilitate better access to high-quality insurance for women. As part of this project, A2ii will undertake a snapshot review of the current state of women's access to insurance, effects of Covid-19 the role insurance supervisors are playing in enhancing women's access to insurance. The project will also focus on capacity building of insurance supervisors to better address the challenges women face in accessing insurance services and advocate for a gendered approach to inclusive insurance. A key part of this effort will be to target women supervisors and strengthen them to step into leadership profiles.

Importantly, the project will enable A2ii to mainstream gender focus in all its activities by taking a gendered lens to our workplan and all our trainings, events and publications.

Upcoming events

Inclusive Insurance Innovation Lab Incubator | 19 January 2021

Read about the lab processes [here](#).



Dialogues

A2ii-IAIS Supervisory Dialogue on Accounting Standards/IFRS 17 | 28 January 2021, WebEx

This Dialogue will explore the new accounting standard - International Financial Reporting Standard (IFRS) 17 and implications for supervisors, and it will be open to supervisors only. The event will take place at 10 am CET in English (with simultaneous French interpretation) and 4 pm CET in English (with simultaneous Spanish interpretation). It will last one hour and will take place via WebEx.

If you have any questions or comments, please send them to dialogues@a2ii.org. Watch the [Dialogues page](#) for more information about this event and to register.

Blog

InsurTech – shaping financial services in Sub-Saharan Africa

By Pascale Lamb, A2ii and Tom Herbstein, UK DIT

Delivering financial inclusion is a core principle of the Sustainable Development Goals (SDGs) given its role in eradicating poverty. Africa is particularly impacted, given that half of the population is without access to formal financial services. Access to bank accounts hovers at 40%, while insurance accounts for just 3% of GDP, against a global average of 7%.

However, recent technological developments have led to the financial system becoming more accessible to low-income populations than ever before. Across Sub-Saharan Africa, for example, the growth of mobile penetration rates has risen to over 43%, providing a crucial

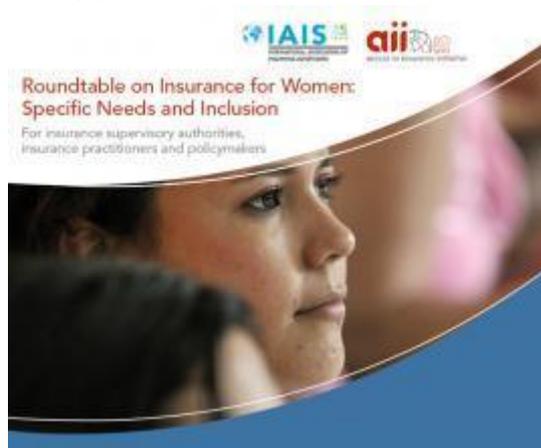
platform for the digital expansion of financial services.

For its part, InsurTech is emerging as a major force shaping the structure of financial services across Sub-Saharan Africa.

[Continue reading.](#)

Knowledge Hub Highlight

Insurance for Women: Specific Needs and Inclusion



Effective and adequate insurance can empower women by boosting women's abilities to mitigate risks and manage crises effectively. It has positive impacts on their job productivity, their assets and their health. Insurance helps avoid dependence on traditional risk management mechanisms – such as selling off assets, informal loans or taking their children out of school – when an unexpected event such as a natural disaster or disease strikes, and causes losses. As women are more likely to work in informal jobs, insurance can play a key role in stabilising and increasing their incomes, which can help with the transition out of poverty.

However, policymaking and industry decisions on insurance provision are not gender-neutral. Women and men have the potential to be differentially impacted by financial sector policies and by regulatory and supervisory approaches to insurance. Despite progress in financial inclusion and improvements in financial service usage during the past few years among both men and women, the gender gap still remains. The most recent data show a persistent gender gap of 7% worldwide in accounts in financial institutions, rising to 11% in low-income countries. There is currently

minimal data on the gender gap in insurance, but it is unlikely to fare any better than other forms of financial services.

You can [download this paper here](#) (published in English and Spanish).

Share this #KnowledgeHubHighlight on Twitter or LinkedIn.

About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors 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 the maintenance of 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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The publication is available free of charge on the IAIS website (www.iaisweb.org).

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