

# Newsletter

February/March 2021

Issue 102



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

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## Calendar Notes

A public background session will be held via webinar on Tuesday, 23 March (14.00 – 15.00 CET) to present the draft “Application Paper on Macroprudential Supervision”. For more information, [see page 6](#).

## From the Secretary General

Climate change affects all core aspects of the IAIS Mission of policyholder protection and financial stability, which is why it is a key strategic theme in the [IAIS’ Strategic Plan 2020-2024](#). Climate change poses a clear and present risk to the financial and operational resilience of individual insurers. The failure to adequately assess and manage these risks across the financial sector could also pose systemic risk to financial stability. Yet, climate change presents opportunities for the insurance sector too: the insurance industry plays a critical role in the management of climate-related risks and is



uniquely qualified to understand the pricing of risks. Insurers can also help build resilience.

At its meeting last week, the Executive Committee held a strategic discussion on the role of insurance supervisors in ensuring that climate risk is effectively assessed and managed and, to that end, how the IAIS could best contribute in this area. There was strong consensus that climate change is a priority for the IAIS, tied to our core objectives of policyholder protection and financial stability. The IAIS’ role mainly lies in monitoring and assessing climate-related risks from both a conduct and a micro- and macroprudential perspective, as well as in promoting a globally consistent supervisory approach to address the risks to the insurance sector. At the same time, it will be important to ensure that insurance regulatory and supervisory practices, while consistent with these core objectives, are also aligned with, or at least do not create any barriers to, the role of the insurance sector as a steward for a broader economic transition to a climate-neutral economy.

The IAIS has made significant progress towards these goals already. Together with the UN convened Sustainable Insurance Forum (SIF), we are finalising an [“Application Paper on integrating climate-related risks into day-to-day supervision”](#). This comprehensive paper builds on previous work of the IAIS and SIF, showcases case studies from its global Membership and includes valuable input from stakeholders received during a public consultation. In addition, later this year, the IAIS will publish the outcomes of a study into the insurance sector’s investment exposures to climate-related risks as our Global Insurance Market Report (GIMAR) special topic. This will include unique insights from a targeted data collection amongst IAIS Members.

Going forward, the IAIS will continue to support its Members in formulating an appropriate supervisory response to climate change. As a next step, we are considering a review of our own supervisory material, including the Insurance Core Principles (ICPs), to assess whether any gaps need to be addressed.



For more information or to subscribe to the newsletter and e-mail alerts, please visit [www.iaisweb.org](http://www.iaisweb.org).  
Comments and suggestions are always welcome.

In addition to our key partnership with the SIF, the IAIS will continue to support a global approach to addressing climate risk through coordinating with and contributing an insurance perspective to the climate work of the Financial Stability Board (FSB) and Network for Greening

the Financial System (NGFS). Through this and other initiatives, we aim to contribute to a strong message on the central role of the insurers, as risk managers, in steering a response to climate change.

Jonathan Dixon, Secretary General

## In Focus...

### IAIS Roadmap 2021-2022

**The IAIS' 2021-2022 Roadmap sets out an ambitious vision for the activities that will be undertaken in the coming years to support insurance supervisors and stable insurance markets.**

The IAIS recently published its [2021-2022 Roadmap](#), outlining the Association's work programme for the next two years. Assessing and mitigating risks to the stability of the global insurance sector, while helping our Members to address accelerating risks and opportunities, sit at the heart of the IAIS Roadmap.

The 2021-2022 Roadmap presents a broad range of planned projects in four broad areas aligned with the High Level Goals (HLGs) as set out in our [2020-2024 Strategic Plan](#):

- **Risk assessment and the maintenance of financial stability**, including ongoing assessment of potential vulnerabilities arising from the impact of Covid-19;
- **Delivering on key post-crisis reforms**, including further refinement of the Insurance Capital Standard (ICS) during the current five-year monitoring period and the consistent implementation of the Holistic Framework;
- **Supporting members in addressing the risks and opportunities of key trends**, especially those accelerated by the Covid-19 crisis. Activities include: work to address climate-related risk and sustainability; supervisory perspectives on the pandemic protection gap; measures to increase operational resilience of insurers; supervisory guidance on responding to digital innovation and cyber risk; supporting activities to implement risk-based solvency regimes in emerging markets and developing economies; and new endeavours in the area of diversity and inclusion; and
- **Implementation support and assessment**, specifically reinforcing our extensive programme of Member support to help insurance supervisors understand and implement our standards, through training, peer exchange platforms and implementation assessment exercises.

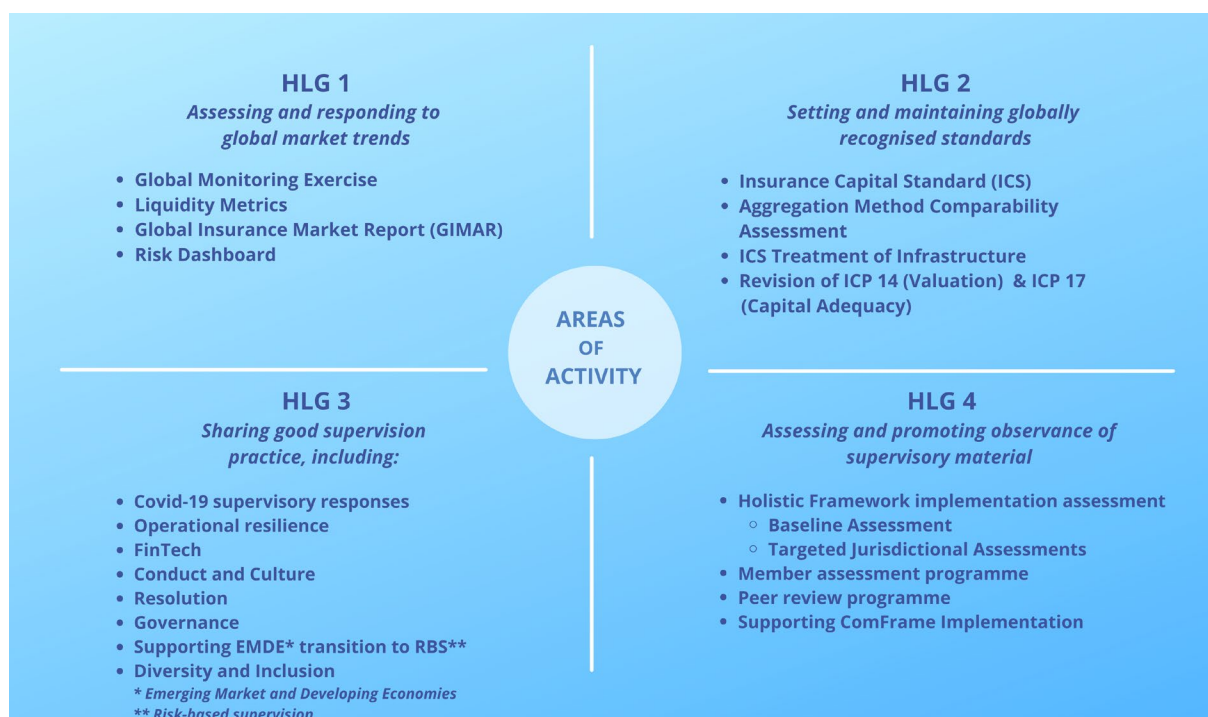
### Projects supporting our broad Membership

The projects outlined in the Roadmap span a wide range of topics, reflecting the diversity of issues important to our Members and stakeholders. In total, 37 projects are outlined in the Roadmap; each is described with a detailed objective.

While some projects were already underway and are soon coming to conclusion, new projects are also being introduced. Of those, some were previously planned, while others capture new or accelerating risks and opportunities made prominent in light of Covid-19.

*The next two years will see the IAIS advance work on globally-consistent outcomes in the supervision of IAIGs; enhance macroprudential supervision of the global insurance market; and respond to climate risk, technological innovation, cyber risk and other emerging and accelerating trends. An exciting time for the insurance sector and its supervision.*

- Jonathan Dixon



*Projects in the IAIS Roadmap 2021-2022 are arranged by HLGs.*

## A globally coordinated endeavour

The plan for the 2021-2022 period is ambitious but realistic. In a resource-constrained environment, the IAIS has worked to identify efficiencies within the work programme, develop strategies to ease any operational burden on Members and determine opportunities to work closely with other Standard Setting Bodies (SSBs) and stakeholders on issues of common interest.

This Roadmap has been developed during a time of continued uncertainty for the insurance sector due to the Covid-19 pandemic, which has added a layer of complexity to planning. For example, the IAIS has had to develop contingencies to progress key activities in the absence of being able to meet in-person.

## Delivering on the IAIS Roadmap 2021-2022

The IAIS will continue to work on these important topics collaboratively within our Membership and with our colleagues in the international standard-setting community as well as with our broad range of stakeholders. Given ongoing uncertainties, we will also closely monitor the progress of Roadmap projects and the impact of Covid-19 on the work programme.

To access 2021-2022 Public Roadmap, please click [here](#).

For more information contact the Alistair Gough at [alistair.gough@bis.org](mailto:alistair.gough@bis.org).

**News  
Updates****Successful first year of monitoring of the global Insurance Capital Standard (ICS) on route to adoption in 2024**

The IAIS ExCo last week reviewed results from the 2020 ICS data collection and agreed to progress the 2021 ICS data collection with a small number of revisions to address issues that were identified through the data analysis and from the feedback received in the first year of the monitoring period. In June, the IAIS will publish the updated ICS specifications for the second year of the monitoring period.

During this initial year of monitoring, the IAIS has for the first time received feedback resulting from discussions amongst group-wide supervisors (GWS) and supervisory colleges about ICS performance. This substantial and helpful feedback will contribute to further improvements and planning for the second year of the monitoring period.

Thirty-nine volunteer groups participated in the first year of the ICS monitoring period despite the extreme challenges of Covid-19. Additional volunteer groups will participate in 2021. The IAIS continues to encourage participation across different jurisdictions and business models to ensure that the ICS captures risk appropriately for all IAIGs. IAIS member supervisors remain collectively committed to make participation as large as possible over time.

The Covid-19 pandemic has provided a valuable lens through which to assess the performance of the ICS and evaluate the importance of a global insurance standard in periods of global stress. To better understand the potential impact of Covid-19 on ICS performance, the IAIS collected a stressed balance sheet based on actual holdings at end-March 2020, along with year-end 2019 data. Further observations from the stressed conditions of 2020 will provide valuable information for any further refinements of ICS.

Concurrently, the IAIS recently completed a public consultation on a draft definition of comparable outcomes and high-level principles to inform the development of the criteria that will be used to assess whether the Aggregation Method (AM), being developed by the US and other interested jurisdictions, provides comparable outcomes to the ICS. If deemed comparable, the AM will be considered an outcome-equivalent approach for implementation of the ICS as a prescribed capital requirement. Despite a delay in the public consultation due to the Covid-19 pandemic, feedback was received from a number of stakeholders and is currently being reviewed by the IAIS.

“Accelerating global risks demonstrate the importance of a common language for supervisory discussions of group solvency of IAIGs,” said Jonathan Dixon, IAIS Secretary General. “The IAIS is committed to delivering an ICS that is fit for implementation by supervisors by 2024.”

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

To access ICS information on our website, please click [here](#).

For more information contact Danita Pattemore at [danita.pattemore@bis.org](mailto:danita.pattemore@bis.org).

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## **Pensions and Retirement Income Forum seeks Member views**

The IAIS is undertaking a Member survey, to learn what issues should be covered in the Retirement Income and Pensions Forum (RIPF) inaugural workplan. The objective of the RIPF is to respond to the demand for an ongoing platform for expert dialogue on retirement income products and pensions impacting insurers.

The RIPF will meet primarily virtually to support the sharing of experiences and perspectives in the areas of pensions and retirement income amongst technical experts. The goal is to enable greater understanding and insight into the impacts of ageing populations and other developments affecting retirement income and pension products. The RIPF will also be responsible for coordination with other SSBs and international organisations addressing these issues.

Members have until 10 March to complete the online survey.

For more information or to receive a unique survey link contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

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### **Stakeholder Engagement**

#### **IAIS Update on Governance related work**

On 10 February 2021, the IAIS hosted a webinar to update stakeholders on our work on corporate governance and conduct-related topics and to gather feedback on key matters of interest.

The session was led by Anna Jernova, Chair of the Governance Working Group (GWG) and Emma Curtis, Chair of the Market Conduct Working Group (MCWG). The event covered two topics:

- Public background session on the draft “Application Paper on Supervision of Control Functions”, developed by the GWG, currently under public consultation (comments can still be provided until 26 March 2021, further details are available [here](#)); and
- Draft “Issues Paper on Insurer Culture”, which is a joint project of the MCWG and the GWG.

During the webinar, the IAIS shared information on the above mentioned projects, their scope, contents and objectives.

The session also included several audience polling questions, which offered interesting insight into stakeholder perspectives:

- Insurer culture was recognised as “critical” or “important” in ensuring a more integrated view of prudential and conduct vulnerabilities across an insurer’s business;
- Multiple cultural drivers (identified in the draft Issues Paper) were acknowledged as relevant in the context of culture being an interlinkage between prudential and conduct risks. These included: insurer’s values, business objectives and strategies; leadership accountability; communication within the insurer; and internal remuneration and performance management structures; and
- Ensuring effectiveness of different control functions may be challenging for insurers and multiple areas may create difficulties in this regard (as described in the draft Application Paper, these include: independence, stature, combination and outsourcing of control functions).

The presentation and recorded video from this public session are available on the IAIS website ([here](#)).

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## Launch of public consultation related to Macroprudential Supervision

On Monday, 8 March 2021, the IAIS launched a public consultation on the draft “Application Paper on Macroprudential Supervision” (Paper). This Paper aims to help with the practical application of supervisory material related to macroprudential supervision in Insurance Core Principle (ICP) 24. As part of the Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector, ICP 24 was revised in November 2019 to more explicitly address, among other topics, the build-up and transmission of systemic risk at the individual insurer and sector-wide level.

The IAIS will host a webinar on Tuesday 23 March to present the Paper and answer questions from stakeholders. This session will be led by the Chair of the Macroprudential Supervision Working Group, Videshree Rooplall (South African Reserve Bank). Comments can be provided on the Paper until Friday, 7 May 2021 and further details are available [here](#).

For more information contact the Becky Easland at [becky.easland@bis.org](mailto:becky.easland@bis.org).

### Meetings and Events

#### IAIS Meetings: March – April

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

Members should visit the IAIS website at [www.iaisweb.org](http://www.iaisweb.org) for the latest updates. The following groups are scheduled to meet virtually between March and April 2021:

| Date         | Group   |
|--------------|---|
| <b>March</b> |   |
| 1 March      | Macroprudential Committee   |
| 2 March      | Audit and Risk Committee  |
| 3-4 March    | Executive Committee   |
| 4 March      | Accounting and Audit Working Group  |
| 11 March     | Operational Resilience Task Force (ORTF)  |
| 16 March     | Governance Working Group (GWG)  |
| 17-18 March  | Capital, Solvency and Field Testing Working Group (CSFWG)   |
| 18 March     | Budget Committee  |
| 23 March     | Market Conduct Working Group (MCWG) and GWG joint call  |
| 23 March     | Public background session to present the draft “Application Paper on Macroprudential Supervision” |
| 25 March     | Financial Crime Task Force  |
| 25 March     | Macroprudential Monitoring Working Group (MMWG)   |
| 30 March     | Insurance Groups Working Group  |
| 31 March     | MCWG  |
| <b>April</b> |   |
| 20 April     | ORTF  |
| 20-21 April  | CSFWG   |
| 22 April     | Infrastructure Task Force   |
| 22 April     | MMWG  |
| 22 April     | Resolution 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****Upcoming: IAIS Regional Meeting of Sub-Saharan Africa insurance supervisors | 15-16 March 2021**

The IAIS, the Prudential Authority within the South African Reserve Bank, the Financial Stability Institute (FSI) and the Access to Insurance Initiative (A2ii) will host the virtual 2021 Regional Meeting for Sub-Saharan Africa Supervisors on 15-16 March 2021.

The Regional Meeting will allow insurance supervisors to engage on topical issues impacting insurers, such as climate change, cyber security, business interruption insurance and Covid-19. Supervisors from the region will have an opportunity to share regulatory and supervisory developments and strategic initiatives in their respective jurisdictions.

Jonathan Dixon, IAIS Secretary General, will provide an update on key IAIS activities during 2020, the IAIS [2021-2022 Roadmap](#) and share perspectives on the strategic topics of access to insurance, climate risk and transitioning to risk based supervision.

For more information contact the Secretariat at [iais@bis.org](mailto:iais@bis.org).

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**Record number of successful participants received IAIS-FSI FIRST ONE programme certificates**

On 26 February, the Financial Stability Institute (FSI) and the IAIS delivered the 2020 FIRST ONE completion certificates to a record number of 266 participants who fulfilled the programme's requirements. This seventh iteration of the FIRST ONE programme took place between August and November 2020, also with a record number of 430 registered participants from 61 jurisdictions. The course syllabus was updated to cover Covid-19 issues, such as insurability of pandemic risk, business interruption insurance, capital requirements for pandemic risk.

The FSI-IAIS Regulatory and Supervisory Training Online (FIRST ONE) Programme aims to provide a basic understanding of insurance supervision to a primary audience of supervisors new to insurance supervision through a series of live webinars and e-learning tutorials. It is delivered through the FSI Connect e-learning platform. **The eighth FIRST ONE cohort will gather from September to December 2021.**

For more information contact the Secretariat at [iais@bis.org](mailto:iais@bis.org).

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**IAIS-A2ii-FSI-ASSAL - First Strategic Roundtable for Latin American Supervisors | 9 February**

On 9 February, the IAIS, A2ii and the Financial Stability Institute (FSI) presented their strategic priorities and plans for 2021 at a meeting with Asociacion de Supervisores de Seguros de America Latina (ASSAL). Following that, representatives from supervisory authorities across 12 countries presented their strategic priorities and capacity-building needs during the roundtable session.

For more information contact the Secretariat at [iais@bis.org](mailto:iais@bis.org).

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**Webinar on Insurability of Pandemic Risk | 5 March**

[Kai-Uwe Schanz](#) from the [Geneva Association](#), an insurance industry think tank, shared insights from his research into the insurability of pandemic risk at this webinar on 5 March. He illustrated the

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staggering mismatch between economic losses and business interruption insurers' risk-taking capacity, as well as past demand for pandemic coverages: insurers would have to collect premiums for 150 years in order to absorb the estimated global output loss inflicted by Covid-19 in 2020. He concluded that insurers would fundamentally be unable to insure such risks due to the lack of global diversification, though they could play an important role in professionalising pandemic response.

Following the presentation, in a Q&A moderated by Conor Donaldson, Head of Implementation at the IAIS, the role of the insurance supervisors in acting as translators between policy-makers and insurers and the role of trust in the insurance industry was discussed.

For more information contact the Secretariat at [iais@bis.org](mailto:iais@bis.org).

## Meet our Staff

Each month, get to know one IAIS staffer and a key project they are working on.



**Name:** Rebecca (Becky) Easland

**Current role:** Senior Policy Advisor

**Time with the IAIS:** since September 2017

**Last employer:** Office of the Commissioner of Insurance, State of Wisconsin, USA

**Favourite quote:** *Get your facts first, then you can distort them as you please.*

- Mark Twain

**Favourite pastime:** travel

**Favourite music:** Chicago and Delta blues

Becky joined the IAIS in September 2017 to support the work of the Capital, Solvency and Field Testing Working Group (CSFWG) with a focus on the tax, equity, real estate and operational risk sections of the Insurance Capital Standard (ICS) as well as the Aggregation Method (AM) data collection, ICP 15 (Investments) and ICP 16 (Enterprise Risk Management for Solvency Purposes).

More recently, Becky also began to support the work of the Macroprudential Supervision Working Group (MSWG) in their development of the "Application Paper on Macroprudential Supervision". This Application Paper was just launched for [public consultation](#).

Before joining the IAIS, Becky was a civil servant for Wisconsin for over 26 years. Prior to joining the IAIS, she was Director of the Bureau of Financial Examinations and Analysis for the Office of the Commissioner of Insurance. In Wisconsin, there are more than 1,950 insurers in the market, with over 330 of those domiciled in Wisconsin.

Becky holds a Bachelors of Business Administration and is a Certified Public Accountant.

Contact Becky: [becky.easland@bis.org](mailto:becky.easland@bis.org)

## Appointments of Chairs and Vice-Chairs

Chris Brown (Bermuda) was recently appointed as acting Chair of the Financial Crime Task Force (FCTF).



## Committee and Subcommittee Activities

### Committee Activities

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

#### Audit and Risk Committee

The Audit and Risk Committee (ARC) met on 2 March to continue discussion on its oversight of the IAIS' internal risk management framework.

Members:

- Considered the regular management update on risks to IAIS projects and operations;
- Discussed an update on enhancements to the IAIS' risk management framework;
- Received an update on progress made on conducting internal risk workshops;
- Emphasised the importance of managing risks around IT and cyber-attacks, in particular in the context of the continued remote working environment; and
- Discussed risks and risk mitigations associated with an eventual return to an in-person meeting environment.

Secretariat support: [ruby.garg@bis.org](mailto:ruby.garg@bis.org)

#### Executive Committee

The Executive Committee (ExCo) met on 3 and 4 March. Over the course of the two days, ExCo:

Approved:

- The Members Only aggregate report on the results of the Holistic Framework Baseline Assessment;
- The draft "Application Paper on Macroprudential Supervision" to be released for public consultation; and

- The revised mandate of the Coordination Group (CG).

Agreed:

- Changes for the reference ICS for year two of the monitoring period, as recommended by the Capital, Solvency and Field Testing Working Group (CSFWG) and the PDC; and
- Resumption of in-person meetings should be postponed until end-August.

Endorsed:

- Recommendations from the Insurance Capital Standard and Comparability Task Force (ICSTF) with respect to next steps on the draft definition of comparable outcomes and high-level principles to inform the criteria that will be used to assess whether the Aggregation Method (AM) provides comparable outcomes to ICS.

Discussed:

- Questionnaires for the Targeted Jurisdictional Assessments of implementation of the Holistic Framework supervisory material;
- The launch of the 2021 Global Monitoring Exercise (GME);
- Progress with the Covid-19 targeted data collection;
- IAIS' strategic priorities for further work on climate risk and sustainability; and
- A progress update from the ExCo small group on internal governance on its workplan and mandate.

In closing, the ExCo said farewell to Gabriel Bernardino, former Chair of the European Insurance and Occupational Pensions Authority

(EIOPA), and thanked him for his significant contributions to the IAIS over the past decade.

Secretariat support: [malene.duncan@bis.org](mailto:malene.duncan@bis.org)

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### **Implementation and Assessment Committee**

The Implementation and Assessment Committee (IAC) met on 23 February and agreed to:

- Endorse a working plan to revise the Multilateral Memorandum of Understanding (MMoU) and FAQs;
- Recommend to ExCo the approval of the draft “Application Paper on Macroprudential Supervision” for public consultation; and
- Recommend to ExCo the approval of the Members Only Aggregate Report on the results of the Holistic Framework Baseline Assessment.

The Committee also discussed:

- Draft questionnaires on the Targeted Jurisdictional Assessments of the implementation of the Holistic Framework supervisory material; and
- Updates on the development of draft application papers on Resolution Powers and Planning, Supervision of Climate-related Risks, Combating Money Laundering and Terrorism Financing, and Supervisory Colleges.

Secretariat support: [natalia.escobar@bis.org](mailto:natalia.escobar@bis.org)

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### **Macroprudential Committee**

The Macroprudential Committee (MPC) met on 1 March. The MPC agreed on the following items:

- Recommendation to ExCo to approve the draft “Application Paper on Macroprudential Supervision” for public consultation; and
- Approval of the data collection package of the 2021 GME.

Additionally, the Committee received updates on progress made on key projects, including:

- The development of Liquidity Metrics (and the outcome of the recent public consultation); and
- The GIMAR-Special Topic report, which will cover the financial stability impact of climate change on insurers’ investment exposures.

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[hanne.vanvoorden@bis.org](mailto:hanne.vanvoorden@bis.org) and  
[anna.aubel@bis.org](mailto:anna.aubel@bis.org)

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### **Policy Development Committee**

The Policy Development Committee (PDC) met on 25 February. During the meeting, the PDC:

- Agreed to recommend to ExCo changes to the reference ICS for year two of the monitoring period, as recommended by the CSFWG;
- Received updates on the work of the Infrastructure Task Force (ITF) and the Resolution Working Group (ReWG); and
- Received an update on the results of the AM data collection.

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[grzegorz.komarnicki@bis.org](mailto:grzegorz.komarnicki@bis.org)  
and [yasuaki.ohara@bis.org](mailto:yasuaki.ohara@bis.org)

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## **Subcommittee Activities**

### **Accounting and Auditing Working Group**

The Accounting and Auditing Working Group (AAWG) met on 4 March. During the meeting, the AAWG:

- Discussed the proposed 2021-2022 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 a member of the Public Interest Oversight Board; and
- Discussed the IAIS Roadmap items for the AAWG.

Secretariat support: [jay.muska@bis.org](mailto:jay.muska@bis.org)

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### **Capital, Solvency and Field Testing Working Group**

The Capital, Solvency and Field Testing Working Group (CSFWG) held a Volunteer Workshop on 3 February to discuss results of the 2020 ICS data collection. Volunteer Groups were given an opportunity to ask questions and provide feedback. The session resulted in helpful discussions.

CSFWG met on 8-9 February to continue discussions on the aggregated results of the 2020 ICS data collection and the 2020 AM data collection. CSFWG also discussed proposed revisions to address unintended consequences or fatal flaws for the 2021 ICS data collection.

CSFWG will next meet on 17-18 March, primarily to discuss updates to the 2021 ICS data collection package.

Secretariat support: [romain.paserot@bis.org](mailto:romain.paserot@bis.org) and [danita.pattimore@bis.org](mailto:danita.pattimore@bis.org)

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### **Insurance Groups Working Group**

The Insurance Groups Working Group (IGWG) met on 17 and 22 March to discuss the revised draft “Application Paper on Supervisory Colleges”, including next steps. The objective of the revisions is to update the Application Paper to reflect changes to ICPs 3 and 25, adoption of ComFrame and other relevant developments. The public consultation on this Paper is scheduled for mid-2021.

Secretariat support:

[grzegorz.komarnicki@bis.org](mailto:grzegorz.komarnicki@bis.org)

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### **Infrastructure Task Force**

The Infrastructure Task Force (ITF) met on 26 January. A comprehensive summary of the responses to the stock-take surveys (from Q4 2020) was presented, including, in particular, a list of data sources, studies and documents to inform future work.

The ITF also agreed on a recommendation for the data collection on infrastructure and strategic equity, for inclusion into the 2021 ICS confidential reporting package; this final recommendation takes into account the feedback received through the stock-take surveys.

Secretariat support:

[manuela.zweimueller@bis.org](mailto:manuela.zweimueller@bis.org) and [aurelien.cosma@bis.org](mailto:aurelien.cosma@bis.org)

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### **Macroprudential Monitoring Working Group**

The Macroprudential Monitoring Working Group (MMWG) met on 19 February to finalise the GME 2021 data collection packages. In addition, the MMWG discussed progress made on the GIMAR special topic on climate change, as well as the comments received during the Public Consultation on the Development of Liquidity Metrics. Finally, the group also looked ahead to the Covid-19 Targeted Assessment this year, and further enhanced the risk dashboard of financial markets. The next MMWG meeting will be on 25 March 2021.

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

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### **Operational Resilience Task Force**

The Operational Resilience Task Force (ORTF) met on 27 January to discuss and agree on its draft mandate. The ORTF further discussed its 2021-2022 draft workplan.

Secretariat support: [ruby.garg@bis.org](mailto:ruby.garg@bis.org)

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### **Resolution Working Group**

The Resolution Working Group (ReWG) met on 17 February to have an initial discussion on the outcome of the public consultation on the draft “Application Paper on Resolution Planning and Powers”. The ReWG will further consider the comments received and revise the Paper accordingly in the coming months.

Secretariat support:  
[hanne.vanvoorden@bis.org](mailto:hanne.vanvoorden@bis.org)

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### **Standards Assessment Working Group**

The Standards Assessment Working Group (SAWG) met on 17 February to discuss the following two projects:

- The Members Only Aggregate Report on the results of the Holistic Framework Baseline Assessment, to present at the IAC meeting; and
- A progress update on the different elements of the Targeted Jurisdictional Assessments (TJAs) of the Holistic Framework supervisory material.

The next meeting of the SAWG will be held in May 2021.

Secretariat support: [rogier.derksen@bis.org](mailto:rogier.derksen@bis.org)

## 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.*

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### FSI Connect

In February, the FSI published a new suite of tutorials on climate and environmental risks. The tutorials cover the Network for Greening the Financial System (NGFS) *guide for supervisors – integrating climate-related and environmental risks into prudential supervision*. Click [here](#) to preview the tutorials.

### FSI 2020 in Review



To find out more about the FSI's key activities in 2020, [view this publication](#).



## 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.*

### New at the A2ii



The Inclusive Insurance Regulations map is a [searchable collection](#) of inclusive insurance regulations from around the world. The map incorporates data sourced through A2ii's research, work and interaction with supervisory authorities worldwide. Explore by region, country, or regulatory status.

### Blog

#### Sixteen years of inclusive insurance regulation by Rachelle Jung

By sheer numbers alone, it is clear there has been notable progress compared to the early days of microinsurance market development. Perhaps more interestingly, what has A2ii's research of the map told us about the ways in which inclusive insurance regulation has changed? Here we examine the pathways to inclusive insurance over the last sixteen years and the trends that have occurred along the way. [Continue reading...](#)

#### The pandemic proposition – a stronger insurance front for sustainable development by Dunja Latinovic

Imagine if every year the population of an entire country the size of the Philippines fell into

poverty because of out-of-pocket expenditures on health services. The World Health Organisation (WHO) data on global health coverage presents a sombre picture. Every year 100 million people are pushed into poverty because of lack of health coverage; that without the burden of a global pandemic. [Continue reading...](#)

### Inclusive Insurance Innovation Lab ([iii-lab](#)) update

#### Second National Workshop Phase | November 2020 – January 2021

During this phase, there was an emphasis on design-thinking methodology to build on the identification of priorities and to address them by developing prototypes. The initial prototypes were presented to the other lab teams for feedback on 19 January. Teams are now embarking on an iterative experimental process to test their prototypes.

#### Global webinar on designing successful educational and marketing campaigns | 25 February

Central to all lab teams is **education and awareness, marketing of products, and how to craft digital strategies** to get messages across. Three experts joined the A2ii for this call. First Ivan Poltoracki, a senior marketing executive, spoke on developing a marketing/educational campaign, and secondly, Barbara Chesire-Chabbaga and Jeremiah Siage of AB Consultants talked about their experiences developing [ResilientME!](#), a game designed to demystify risk management and insurance.

### Recent Events

#### IAA Seminar Mini-Series: Risk Based Financial Management with a focus on the Americas and Africa | 4, 11, and 18 February

The International Actuarial Association partnered with A2ii and the IAIS to organise a series of short webinars focused on Risk-based Financial Management and Supervision, featuring simultaneous translation to French and Spanish. Watch recordings [here](#).

- 4 February: ORSA – The Core Tool of Risk-Based Supervision;
- 11 February: Using Actuarial Reports – Getting the Added Value; and

- 18 February: Proportionate Risk Assessment – The IAA Risk Tool in Action.

**A2ii-ASSAL-IAIS First Strategic Roundtable for Latin American Supervisors | 9 February**

The A2ii, IAIS and the Financial Stability Institute (FSI) presented their strategic priorities and plans for 2021, and representatives from supervisory authorities from 12 countries presented their strategic priorities and capacity-building needs during the roundtable session.

**A2ii meets with Guatemala's Technical Roundtable on Inclusive Insurance | 25 February**

The Inclusive Insurance Technical Roundtable was created in the context of Guatemala's National Financial Inclusion Strategy (Estrategia Nacional de Inclusión Financiera – ENIF). It aims to broaden the scope and penetration of insurance, through the development of new distribution channels and the diversification of insurance, as well as the development of new insurance products.

During the meeting, A2ii's Regina Simões presented on inclusive insurance, its specific features and the challenges faced by both industry and supervisors.

**Upcoming Events****Index Insurance – A2ii-IAIS Public Dialogue addressing SDG 2 – Zero Hunger | 25 March, WebEx**

The use of index insurance as an alternative to traditional indemnity-based insurance has increased over the last years, particularly as a mechanism for insuring extreme weather risks. Index insurance – also known as parametric

insurance – has been evolving. Today, it reaches a wide range of customers, at the micro, meso and macro levels, ranging from the most vulnerable segments of the population to the most sophisticated and complex sectors.

To take stock of recent developments, the A2ii conducted a survey with supervisors and other stakeholders on the current state of index insurance, and will be sharing the outcomes of the research and highlights from the A2ii report on the topic.

This 75-minute Dialogue will be open to all stakeholders and will take place at **10 am CET** in English (with simultaneous French interpretation) and **4 pm CET** in Spanish (with simultaneous English interpretation). Click [here](#) for more information or to register.

**Sustainable Development Goals and Inclusive Insurance – A2ii-IAIS Public Dialogue | 22 April**

The webinar will be open to all stakeholders and will take place in English with simultaneous Spanish and French interpretation. Check the [event page](#) for more information to come.

**Knowledge Hub Highlight**

[Proportionality in practice: distribution](#) looks at proportionality in regulations relating to distribution by drawing on the experiences of Ghana, Mexico and the Philippines. It is available in [English](#), [Spanish](#) or [French](#).

[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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