



May 2023 | Issue 122

# Newsletter

## From the Secretary General



It is now just a couple of weeks until the IAIS committee meetings and [Global Seminar](#), and we are very much looking forward to seeing nearly 400 members and stakeholders in Seattle for what will be an engaging (albeit busy!) programme.

Amongst the many interesting sessions we will have during the Global Seminar will be a fireside chat on natural catastrophe protection gaps.

I would like to take a moment to reflect on this important issue and the work the IAIS is undertaking to unpack the role of supervisors in addressing protection gaps.

The fireside chat will bring together leading voices from the insurance sector and the supervisory community to discuss action to address this problem, which is reflective of the fact that protection gaps can't be "solved" by supervisors alone. Rather, solutions are more powerful when multiple partners are involved. However, supervisors – despite their varied mandates – can play a role and, importantly, take action.

Recently, the [IAIS issued a public statement](#) outlining the role of insurance supervisors in addressing natural catastrophe protection gaps, as well as highlighting the IAIS' commitment to supporting insurance supervisors' actions to address protection gaps and providing an overview of the IAIS' work on the topic in 2023.

The statement acknowledges the pressing challenges that natural disasters present across the globe and the significant role insurance can play in contributing to financial and social resilience. It is also a reminder of the role that insurance can play in building and strengthening resilience for vulnerable populations, which can affect emerging markets more severely - an angle the IAIS continues to work on in close cooperation with the Access to Insurance Initiative ([A2ii](#)).

The work of the IAIS was recognised in the recent G7 Finance Ministers and Central Bank Governors' meeting communiqué, which is great acknowledgment of the contribution that supervisors can make on this topic and a good example of how the work of the IAIS can contribute to broader policy agendas.

By the end of 2023, the IAIS will publish a report that analyses the various types of initiatives undertaken by insurance supervisors to address natural catastrophe protection gaps, with a view to distil the key elements of current good practices. We intend for this report to provide a platform from which we can also develop our future work plan on protection gaps, including concrete actions with partners.

This is timely, given we are in the midst of developing our 2025-2029 Strategic Plan; which provides us with an opportunity to consider key themes and trends facing the insurance sector and supervisors – such as protection gaps – and how we can position ourselves to best support our members in the coming five-year period.

For those of you joining in Seattle, I look very much forward to seeing you. And for those who aren't able to join us in person, I'd encourage you to follow the discussion on LinkedIn and our website where we'll also be sharing recordings of the panel discussions following the Seminar.

Jonathan Dixon, Secretary General

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For those who will not be able to join us in Seattle for our upcoming Global Seminar (15-16 June) please visit [LinkedIn](#) to read our real-time posts and follow the discussions.

# In Focus

## Insurance sector operational resilience

**Operational resilience has become an increasingly important area of focus, in particular considering rapidly evolving technology and innovation, changes to where and how people are working, and an increasing cyber threat landscape.**

While the concept of operational resilience may not be new to insurers, there is a recognition of the importance to adapt supervisory regimes to account for the growing reliance of insurers on digital systems, the adoption and implementation of new technologies, and the potential for insurers to rely on third party providers to assist in implementation and support.

In response to these emerging trends, and consistent with the IAIS' strategic focus on cyber risk and digital innovation, the IAIS established the Operational Resilience Task Force (ORTF) in late 2020, with a mandate to develop supporting materials on issues related to operational resilience. This has now culminated in the publication of the [Issues Paper on Insurance Sector Operational Resilience](#).

The paper is informed by a review of the IAIS Insurance Core Principles (ICPs), a stocktake of existing publications by standard setting bodies with relevance to operational resilience, engagement with operational resilience experts external to the IAIS membership, and information shared on supervisory practices amongst insurance supervisors.

**“Operational resilience has become an increasingly important area of focus for the insurance sector in light of rapidly evolving technology and innovation. How the IAIS can continue to best serve its members on this topic will be a key consideration as the IAIS develops its next five-year strategic plan.”**

**- Vicky Saporta  
Executive Committee Chair**

**An operationally resilient insurer** can encounter, withstand, mitigate, recover and learn from the impact of a broad range of events that have the potential to disrupt the normal course of business by impacting critical operations or systems. Operational resilience can be considered as an outcome that emerges from a wide array of practices and disciplines currently used by insurers.

The paper identifies issues impacting operational resilience in the insurance sector and provides examples of how supervisors are approaching these developments, with consideration of lessons learnt during the Covid-19 pandemic. The paper addresses the following three operational resilience sub-topics that the IAIS considers as matters of significant and increasing operational risk:

- Cyber resilience
- Third-party outsourcing
- Business continuity management

The paper also considers the importance of governance and Board accountability to ensure insurers are able to identify and respond to emerging risks – including operational resilience risks – and adapt to changing environments. Furthermore, the paper highlights that effective information sharing amongst supervisors and across the insurance sector more broadly may also help to strengthen the supervisory oversight and insurer management of operational resilience. Finally, it provides a summary of key observations, and outlines various topics that may benefit from future consideration or further analysis by the IAIS and insurance supervisors.

The issues paper was published for public consultation in late 2022. The [responses](#) supported the initiative and provided helpful insights on how the IAIS could continue to add value with respect to encouraging insurance sector operational resilience.

A public discussion session about the Issues Paper on Operational Resilience was held on 31 May 2023.



The video replay will be available shortly on the [IAIS website](#).

For more information contact Ruby Garg at [ruby.garg@bis.org](mailto:ruby.garg@bis.org).

# News

## DIVERSITY, EQUITY AND INCLUSION

### The IAIS celebrates Pride Month

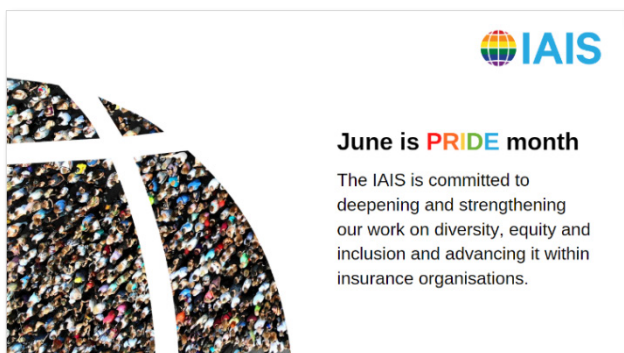
The IAIS is committed to diversity, equity and inclusion, including diversity of gender, sexual orientation, gender identity and expression. We strive to create an environment where everyone feels a sense of belonging and of being respected and valued.

During the month of June, the IAIS will use a logo reflecting the pride rainbow.

Read more about the IAIS' commitment to its own DEI as a global membership association [here](#).

IAIS members are reminded of the opportunity to share their views, ideas and experiences as an individual participating in the IAIS via an anonymous member input form [here](#).

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



### All inclusive

Helen Rowell, IAIS DEI Champion, recently wrote an opinion article on the IAIS' focus on DEI in the insurance sector which was published by Insurance Europe.

Read it [here](#).

## IMPLEMENTATION

### Call for registration - IAIS Bootcamp for Assessors

The IAIS is launching a three-day Bootcamp for Assessors to train individuals to assess the implementation of the IAIS' supervisory material. This initiative will equip IAIS member representatives with the knowledge and skills necessary to become assessors for future implementation assessment activities of the IAIS.

The inaugural bootcamp will be held 10 to 12 October 2023 in Basel. This training is open to IAIS members only. Click [here](#) for more information and to apply. Applications are invited by 14 July.

For more information contact Guillaume Scheffler at [guillaume.scheffler@bis.org](mailto:guillaume.scheffler@bis.org) and Miho Chen at [miho.chen@bis.org](mailto:miho.chen@bis.org).

# Event Spotlight

### Latin American supervisors met in Costa Rica for a week rich in international exchange | Costa Rica | 2-5 May

Supervisors and experts from more than 26 jurisdictions, including as far afoot as US, Canada, Switzerland and Spain, were welcomed by Asociacion de Supervisores de Seguros de America Latina (ASSAL) to San Jose, Costa Rica for three distinct meetings from 2-5 May. Representing 21 countries,

ASSAL is the Latin American Association of Insurance Supervisors.





## 21ST ASSAL-IAIS ANNUAL CONFERENCE ON INSURANCE REGULATION AND SUPERVISION IN LATIN AMERICA | COSTA RICA | 2-3 MAY

From 2 to 3 May, over 110 participants participated in the 21<sup>st</sup> ASSAL-IAIS Annual Conference on Insurance Regulation and Supervision.

Representing the IAIS, Head of Implementation, Manuela Zweimueller, emphasised the excellent cooperation between ASSAL and the IAIS, referring to the plentiful Latin American representation in IAIS groups such as the Executive Committee, Implementation and Assessment Committee, Climate Risk Steering Group, the Strategic Plan and Financial Outlook Task Force, and its Forums, on financial inclusion and risk-based solvency regimes. The subsequent presentation on the [IAIS Roadmap for 2023-2024](#) confirmed the good alignment of IAIS strategic themes with the ASSAL conference agenda items.

Supervisors from Ibero-America (Latin America, Spain and Portugal) discussed the IAIS' projects and activities and the connection to their own regional priorities. Participants focussed on artificial intelligence and InsurTech; cyber security and challenges for supervisors and the insurance market; diversity, equity and inclusion in the insurance industry; and the role of insurance in addressing climate-related risks and promoting sustainable development.

The roundtables discussing regulatory and supervisory trends and changes were well received and very useful as such a format enabled a practical exchange on day-to-day supervisory challenges.

**“Climate change calls for a coordinated action from supervisors to raise climate risk awareness, support the adoption of sustainable practices and provide an appropriate regulatory framework to address climate-related risks”**

**-Tomás Soley  
President of ASSAL**

## ASSAL's Declaration on Climate Change

A key highlight of the conference was the signing of ASSAL's [Declaration on Climate Change](#). It acknowledges the challenges posed by climate change and the role that the insurance sector can play in assessing and addressing climate-related risks, with the aim to transition to a sustainable economy and equally providing for adequate consumer protection. ASSAL members committed to work collaboratively in adopting best supervisory practices and implementing measures to address the challenges of climate change and sustainability for the insurance sector. Vicky Saporta, IAIS Executive Committee Chair, welcomed the initiative and reaffirmed the IAIS' commitment to supporting ASSAL in its efforts to address this challenge.

## ASSAL-FSI-IAIS HLM ON INSURANCE SUPERVISION | COSTA RICA | 4 MAY

After three years of virtual meetings, senior insurance supervisors from Latin America met in-person at the seventh high-level meeting on insurance supervision, hosted by the Superintendencia General de Seguros de Costa Rica (SUGESE). The meeting was co-organised by ASSAL, the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) and the IAIS and included representatives from each global organisation.

Vicky Saporta, Chair of the IAIS Executive Committee and Executive Director of Prudential Policy Directorate (PRA), Bank of England, delivered a special address on the IAIS Roadmap for 2023-2024, emphasising that recent macroeconomic developments highlight the importance of being prepared, the need to focus on fundamentals and the tangible benefits of international supervisory collaboration.

Tomás Soley, Chair of ASSAL and Superintendent of SUGESE, and Fernando Restoy, Chair of the FSI, both highlighted the need for closer supervisory collaboration in light of the challenges arising from the macroeconomic impact on the Latin American insurance industry.

The meeting covered – in addition to an exchange on macroeconomic developments – the following three key topics, each with a panel discussion framing the exchange of views:

- Risk-based solvency regimes – implementation and regional challenges;
- Climate and disaster-related financial risks – promoting sustainable finance and addressing protection gaps; and
- Effective recovery and resolution strategies for insurers in trouble.



#### 34TH ASSAL ANNUAL GENERAL MEETING IN LATIN AMERICA | COSTA RICA | 5 MAY

Closing out the busy week in Costa Rica was the ASSAL Annual General Meeting. At the meeting, Tomás Soley, SUGESE, Costa Rica, was reappointed President of ASSAL for a further two years. Also appointed were Vice Presidents, Augusto Iglesias Palau, Comision para el Mercado Financiero de Chile (CMF) and Ricardo Ernesto Ochoa, Comision Nacional de Seguros y Fianzas (CNSF), Mexico.

A new Directory has replaced the ASSAL Board of Directors as of May 2023. The following members were appointed to the Directory: Alberto Vasquez Reyes, Superintendencia de Seguros y Reaseguros (SSR) Panama, Alessandro Octaviani Luis, Superintendencia de Seguros Privados (SUSEP), Brazil, Adriana Guida, Superintendencia de Seguros de la Nacion (SSN), Argentina and Cesar Ferrari, Superintendencia Financiera de Colombia (SFC).

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

## IIF Insurance Colloquium | Washington DC | 16 May

Jonathan Dixon, IAIS Secretary General, joined the Institute of International Finance (IIF) in person to give a [keynote speech at their Insurance Colloquium](#) on 16 May in Washington DC.

Jonathan shared IAIS observations on the impact of the recent market turbulence and evolving economic outlook on the global insurance sector, including the work the Macroprudential Committee and its working groups have been undertaking to actively monitor developments in financial markets.

He noted the significant momentum towards finalisation of the Insurance Capital Standard (ICS) and the public 90-day consultation set to be published next month for the candidate ICS as a Prescribed Capital Requirement (PCR), which will be a key milestone to finalising the global standard.

Jonathan also provided an update on the IAIS' work on climate risk, natural catastrophe protection gaps and diversity, equity and inclusion. He noted that in mid-June the IAIS will launch a stakeholder survey as a key input to the development of the IAIS' new five-year strategy, which will start in 2025.



 To watch the replay visit the [IIF website](#).

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


## NAIC International Forum | Washington DC | 18-19 May

Jonathan Dixon, IAIS Secretary General, joined a panel discussion on “Rethinking Insurer Investing – Strategies for a Changing World” as part of the National Association of Insurance Supervisors’ (NAIC) International Forum in Washington 18 and 19 May.

The panel, moderated by Commissioner Scott White from Virginia, considered how heightened global economic uncertainties, including market volatility and the monetary policy environment, are changing insurer investment strategies.

Jonathan noted that the supervisory focus on these issues is on the extent to which new investment approaches may pose a risk to financial stability or policyholder protection. He noted that the IAIS’ 2022 [Global Insurance Market Report](#) (GIMAR) found that some life insurers, in particular those that are private equity (PE)-owned, use investment strategies designed to capture yield from illiquid, complex and/or potentially volatile assets (eg private credit). As a result, their aggregate portfolio mix can differ from that of the overall life insurance sector. Investment strategies for most insurers involved with PE firms focus on corporate bonds, complemented by opportunities in structured credit, such as asset-backed securities and collateralised loan obligations that are being increasingly sourced by internal asset origination platforms.

Jonathan noted that the IAIS will continue monitoring these structural shifts, with a focus on changing asset allocations (eg increased allocations to private credit) and risk transfers through (offshore) reinsurance transactions. Inflation and rising interest rates were also a key feature of last year’s GIMAR and continues to be top-of-mind this year.

 Video replays will be posted soon on the [NAIC website](#).

On the periphery of the Forum, Jonathan also met with stakeholders from the American Council of Life Insurers and the American Property Casualty Insurance Association.

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



## IAA Special IAIS Session with Jonathan Dixon | Virtual | 26 May

As the International Actuarial Association (IAA) met in Sydney for its council, committee meetings, and congress, Jonathan Dixon, IAIS Secretary General, joined the professional body virtually to provide an update on the IAIS’ work.

Jonathan set out the steps to finalise the ICS, provided an update on implementation of the Holistic Framework and discussed the IAIS’ key strategic themes. In a Q&A session after his remarks, Jonathan considered lessons learnt for insurance supervisors from recent bank failures, the IAIS’ work to improve operational resilience for insurers and the continued support that the actuarial profession and IAA could provide to insurance supervisors and the IAIS.

Jonathan gave a special thanks to the IAA for the support they have provided to the Access to Insurance Initiative (A2ii) in delivering [actuarial training](#), which has been well received by supervisors.



Watch Jonathan’s [session with the IAA](#).

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

## Upcoming events

See the FSI and A2ii sections [below](#) for details on additional events the IAIS is supporting.



# Forum Updates

Forums provide an ongoing and flexible platform for technical experts to share insights and discuss developments in a specific area relevant for insurance supervision and regulation, including but not limited to supervisory practices, cross-cutting topics and emerging trends.

## Risk-based Solvency Implementation Forum | Virtual | 19 May

The Risk-based Solvency Implementation Forum (RBSIF) met virtually on 19 May to:

- Discuss progress on the development of guidance on transitioning to risk-based solvency (RBS); and
- Exchange on different jurisdictional perspectives on the drivers for the transition, including the elements considered as well as different regimes used as a benchmark.

Additionally, Ng Hui In, Rajeswari Eliyathamby and Nur Nabila Zafirah Abdul Samat, from Bank Negara Malaysia, presented on the implementation of the risk-based capital framework for insurers and takaful operators (ie, providers of Islamic insurance) in Malaysia, focusing on the objectives and design elements of the framework.

The next meeting of the RBSIF is scheduled for 20 July, 13:00 - 15:00 CEST, to address the topic of stakeholder engagement.

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

## Meet our Staff

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

### Staff profile



**Name:** Nicolas Colpaert

Current role: Deputy Head of Financial Stability

Time with the IAIS: since August 2019

Last employer: National Bank of Belgium

Favourite pastimes: skiing, reading, running

Nicolas joined the IAIS in August 2019 as a Senior Policy Advisor. In May 2023, he was appointed Deputy Head of Financial Stability. In this expanded role, he will take on primary management support for the Macroprudential Committee (MPC), as well as delegated management support from the Deputy Secretary General Romain Paserot on [financial stability](#) projects and activities.

Nicolas' key area of focus lies with the IAIS' Global Monitoring Exercise (GME) which serves to assess and address key risks and trends in the global insurance sector as part of the IAIS [Holistic Framework](#) to mitigate the build-up of systemic risk. This GME risk assessment serves as a basis for coordinating any supervisory measures at the global level, and key outcomes are reported to the Financial Stability Board (FSB), as well as to the public through the annual [Global Insurance Market Report](#) (GIMAR).

Prior to joining the IAIS, Nicolas was with the prudential policy division of the National Bank of Belgium where he was responsible for insurance stress testing as well as contributing to insurance prudential regulation with a focus on Solvency II.

Nicolas is a certified actuary and chartered alternative investment analyst. He has a Masters of Science in Financial and Actuarial Engineering, Master of Science in Insurance and a Master of Science in Applied Economics from the Catholic University of Leuven.



# Appointments

The Selection Group has recently appointed **Carin Hamnell (UK,PRA)** as Vice Chair of the Macprudential Supervision Working Group (MSWG).

## Committee and Subcommittee Activities

### Committee Activities

#### MACROPRUDENTIAL COMMITTEE

The Macprudential Committee (MPC) met virtually on 15 May to discuss:

- Recent financial market/banking sector developments;
- Lessons learned/new risks; and
- The impact on the MPC workplan and activities.

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

#### POLICY DEVELOPMENT COMMITTEE

The Policy Development Committee (PDC) met virtually on 2-3 May to discuss:

- The Insurance Capital Standard (ICS) transnational and national discretion(s); and
- Other methods for the calculation of the ICS capital requirement, including clarifying questions on internal models and the operation of other methods more generally.

Secretariat support: [yasuaki.ohara@bis.org](mailto:yasuaki.ohara@bis.org) and [alka.sharma@bis.org](mailto:alka.sharma@bis.org)

### Subcommittees Activities

#### ACCOUNTING AND AUDITING WORKING GROUP

The Accounting and Auditing Working Group (AAWG) met in person in Basel (hybrid) on 11-12 May to discuss and receive an update on the following:

- IFRS 17 roundtable preparations (to be held in Cape Town);
- IFRS 17 implementation from members of the Global Public Policy Committee; and
- The Climate Risk Steering Group's upcoming climate risk deliverables impacting the AAWG workplan.

In addition, the AAWG held a [virtual stakeholder session](#) on 11 May to provide an update on AAWG activities.

Secretariat support: [lydia.kimuwwe@bis.org](mailto:lydia.kimuwwe@bis.org)

#### CAPITAL, SOLVENCY AND FIELD TESTING WORKING GROUP

The fourth annual cycle of ICS data collection for the monitoring period began at the end of April with the release of the data collection package to Volunteer Groups. The 2023 Aggregation Method (AM) data collection package was also released on the same date. Submissions for both data collections are due on 31 August.

On 9 May, the Capital, Solvency and Field Testing Working Group (CSFWG) hosted a virtual ICS Volunteer Workshop to present the data collection package, based on the candidate ICS as a Prescribed Capital Requirement (PCR) that will be released for public consultation by the end of June.

A virtual AM Volunteer Workshop was held on 11 May to discuss results of the 2022 AM data collection and updates for the 2023 AM data collection.

The CSFWG then met on 15-17 May in Basel to prepare the draft consultation document on the candidate ICS as a PCR.

Secretariat support: [romain.paserot@bis.org](mailto:romain.paserot@bis.org) and [aurelien.cosma@bis.org](mailto:aurelien.cosma@bis.org)

#### CLIMATE RISK STEERING GROUP

The Climate Risk Steering Group (CRSG) met virtually on 24 May to:

- Discuss feedback on the draft consultation material on climate related market conduct considerations;
- Update on progress with climate scenario consultation material;
- Receive an update on the overall supervisory guidance project plan; and
- Receive an initial update on climate-related data received so far in the Global Monitoring Exercise (GME) data package.

In addition, CRSG discussed and decided to support a proposal to set up a climate risk disclosure workstream.

Finally, during the call, ACPR (France) presented on their forthcoming climate stress test exercise.

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

#### GOVERNANCE WORKING GROUP

The Governance Working Group (GWG) met virtually on 11 May to discuss:

- Preparations for a joint workshop with the Supervisory Forum on practical approaches to effective supervision of insurer remuneration;
- Planning the GWG's work to explore other remuneration-related topics in 2023; and
- The GWG project on diversity, equity and inclusion (DEI), including the articulation of the relevance of DEI to governance, risk management and corporate culture and the anticipated approach to an Application Paper focused on DEI and ICPs 7 (Corporate Governance) and 8 (Risk Management and Internal Controls).

The meeting also included presentations on:

- The PRA/FCA (UK) consultation on the removal of the bonus cap for banking institutions; and
- The Federal Reserve (US) insurance supervisory framework issued September 2022.

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

#### MACROPRUDENTIAL MONITORING WORKING GROUP

The Macroprudential Monitoring Working Group (MMWG) held a data meeting in Basel on 22-26 May notably to work on:

- The preparation of the scope of the collective discussion of the 2023 GME;
- The level 3 assets indicator; and
- Ancillary indicators on credit risk, derivatives and reinsurance.

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

#### MARKET CONDUCT WORKING GROUP

The Market Conduct Working Group (MCWG) met in Basel on 15-16 May to discuss:

- Finalisation of the implementation guide for IAIS members on using conduct indicators;
- The development of supporting material on Insurance Core Principle (ICP) 19 (Conduct of Business) and climate risk;
- Analysis of member examples of unfair treatment of certain consumer groups as part of the MCWG's DEI project;
- Next steps in the MCWG's DEI project, including anticipated approach to the Application Paper;
- Debrief of the 26 April virtual meeting between MCWG and consumer groups;
- Members' domestic approaches to engagement with consumer groups;
- Key insights from the IAIS' recent work on FinTech and SupTech and members' domestic experiences; and
- Relevant domestic developments within members' jurisdictions.

The meeting also included presentations on:

- The work of the Federal Reserve Bank of New York Governance and Culture Reform Initiative and the Supervisors Roundtable; and
- The work of the G20/OECD Task Force on Financial Consumer Protection.

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

### PROTECTION GAPS TASK FORCE

The Protection Gaps Task force (PGTF) met virtually on 30 May. Key topics for discussion included:

- A tour de table of recent developments and publications on the topic of protection gaps;
- An initial discussion of the results of a member survey on the role of supervisors in addressing protection gaps; and
- Report from the PGTF drafting groups charged with drafting the respective sections of the report that the PGTF will publish in November.

The PGTF will next meet virtually on 19 July. Some members of the PGTF (including the Chair) will be involved in the “fireside chat” on natural catastrophe (NatCat) protection gaps during the Global Seminar.

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

### RESOLUTION WORKING GROUP

The Resolution Working Group (ReWG) met on 30-31 May in Johannesburg to:

- Discuss possible revisions to certain recovery and resolution-related ICP/ComFrame standards, where issues were identified with respect to clarity, interpretation or unintended consequences of supervisory material as part of the Targeted Jurisdictional Assessments (TJAs) of the implementation of the Holistic Framework;
- Discuss the resolution of public consultation comments on the draft Issues Paper on roles and functioning of policyholder protection schemes (PPSs);

- Receive updates on the 2023 GME and collective discussion and follow-up work to the TJAs; and
- Receive an update on activities of the FSB insurance Cross-Border Crisis Management Group (iCBCM).

Secretariat support: [yasuaki.ohara@bis.org](mailto:yasuaki.ohara@bis.org)

### STANDARDS ASSESSMENT WORKING GROUP

The Standards Assessment Working Group (SAWG) met virtually on 17 May to discuss the following items:

- Strategic considerations on the IAIS assessment activities; and
- Bootcamp for assessors.

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

### STRATEGIC PLAN AND FINANCIAL OUTLOOK TASK FORCE

The Strategic Plan and Financial Outlook Task Force (SPFOTF) met virtually on 23 May.

The SPFOTF discussed recent inputs into the strategic plan received from members and the Secretariat. A stakeholder survey seeking input into the SPFO will be launched the week commencing 12 June. The SPFOTF will next meet in Seattle on 14 June.

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

# Calendar of meetings and events

The following groups are scheduled to meet between June and July 2023.

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

Date	Group	Location
June 2023		
5-6	FSI-BCBS-IAIS Seminar on SupTech (supervisors only)	Basel
6	FinTech Forum	Basel
8	Financial Crime Forum	Virtual
8	Supervisory Forum	Virtual
12	Audit and Risk Committee	Seattle, WA, USA
12	Budget Committee	Seattle, WA, USA
12	Policy Development Committee	Seattle, WA, USA
13	Implementation and Assessment Committee	Seattle, WA, USA
13	Insurance Capital Standard and Comparability Task Force	Seattle, WA, USA
13	Macroprudential Committee	Seattle, WA, USA
14	Executive Committee	Seattle, WA, USA
14	Strategic Plan and Financial Outlook Task Force	Seattle, WA, USA
15-16	<a href="#">Global Seminar</a>	Seattle, WA, USA
21	CRO Roundtable (ExCo only)	Virtual
28	Climate Risk Steering Group	Virtual
July 2023		
6	Macroprudential Supervision Working Group	Virtual
7	Governance Working Group and Supervisory Forum joint workshop	Virtual
11	Macroprudential Monitoring Working Group	Virtual
13	Market Conduct Working Group	Virtual
19	Protection Gaps Task Force	Virtual



# Financial Stability Institute (FSI) Report

Financial Stability Institute |  BIS

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

## BCBS-FSI-IAIS meeting on the use of innovative technology in financial supervision (SupTech) | Basel, Switzerland | 5-6 June

Representatives from member institutions including the Basel Committee on Banking Supervision (BCBS) Supervisory Cooperation Group, Basel Consultative Group and Financial Technology Group, the Financial Stability Board's informal SupTech Network and the IAIS' Fintech Forum will meet on 5-6 June to discuss the use of innovative technology in financial supervision – including considering the question: Are existing SupTech use cases addressing key supervisory pain points?

The meeting is jointly organised by the BCBS, FSI and IAIS. Participants will discuss the common pain points in supervisory processes, the appropriate role of technology in addressing these, whether there are remaining pain points that have not been addressed by existing SupTech use cases. Finally the group will consider how the international supervisory community can help address the remaining pain points and tackle SupTech implementation challenges, including the skills challenge.

## FSI-IAIS webinar on Climate Scenario Analysis in the Insurance Sector | 6 July, 13:00-15:15 CEST

The FSI and the IAIS are pleased to organise a webinar on climate scenario analysis in the insurance sector, focusing on physical risks. There will be a jurisdictional presentation on how physical risks are treated in a climate scenario analysis, followed by a panel discussion bringing together different academic/scientific, regulatory and private sector perspectives. The IAIS is taking this opportunity to also gather feedback on its upcoming Application Paper on climate scenario analysis.

The webinar is open to supervisors only. We invite your senior colleagues in charge of climate scenario analysis to join the webinar by filling in this [registration form](#) by 15 June 2023.

# Access to Insurance Initiative (A2ii) Report



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

## Useful tools on the A2ii website

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

## Scholarship Opportunity

### FULL SCHOLARSHIP AVAILABLE FOR THE ILO COURSE "SEGUROS PARA EL DESARROLLO"

The A2ii is offering insurance supervisors the chance for a full scholarship for the online course in Spanish "Seguros para el Desarrollo" provided by the International Training Centre of the International Labour Organisation (ITC-ILLO). The deadline is 12 June 2023. Find out more on [our website](#).

## Recent Events

### ASSAL ANNUAL CONFERENCE | SAN JOSÉ, COSTA RICA | 2 - 3 MAY

The 21<sup>st</sup> Conference on Insurance Regulation and Supervision in Latin America was jointly organised by the Latin American Association of Insurance Supervisors (ASSAL), the IAIS, and Superintendencia General de Seguros (SUGESE) of Costa Rica.

The agenda included a range of panels on trending topics such as artificial intelligence and InsurTech, cybersecurity, diversity, equity and inclusion (DEI), post-pandemic challenges of the insurance sector, sustainable development, and climate change. The supervisors also presented trends and recent changes in Ibero-American legislation. **Manoj Pandey** represented A2ii on the DEI panel.

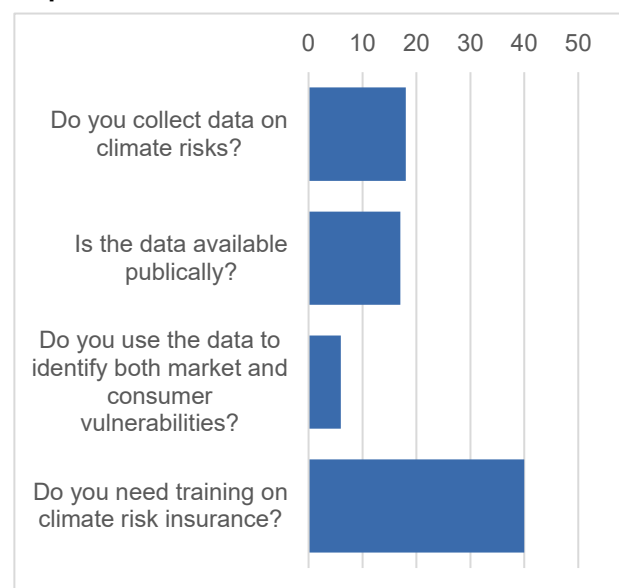
The event ended with the signing Ceremony of the ASSAL Declaration on Climate Change.

See the IAIS update [above](#).

### A2II INTERACTIVE SESSION AND SURVEY

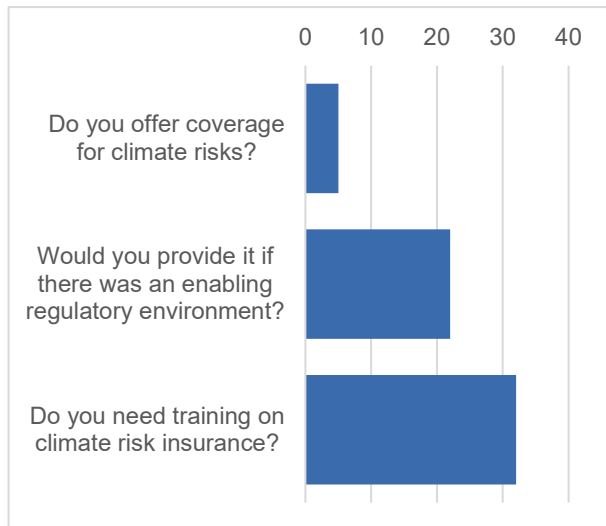
During the ASSAL Annual Conference, A2ii also organised the interactive session on "Climate and Data". Live surveys of 1) supervisors and 2) industry and other stakeholders were carried out, moderated by the Latin American Regional Coordinator **Regina Simões**. A summary of the results is below, and the full report will later be available on the A2ii website.

#### Supervisors



Forty supervisors participated in the survey, and highlighted the two main challenges that they faced regarding data availability were the lack of data expertise and knowledge and the lack of a climate risks database.

### Industry and other stakeholders



Thirty-two responded, identifying two of the main barriers to offering climate risk insurance as lack of knowledge on the topic and lack of data.

### A2II SUPERVISORY SPECIAL - LESSONS FROM COLOMBIA AND ARGENTINA ON SUPERVISORY APPROACHES TO DATA FOR BRIDGING THE GENDER PROTECTION GAP | 17 MAY



The Supervisory Special: Lessons from Colombia and Argentina on Supervisory Approaches to Data for Bridging the Gender Protection Gap took place virtually on 17 May. During this session, **Óscar Martínez**, Financial Inclusion Advisor at the Superintendencia Financiera of Colombia, shared how the Colombian Supervisor is using a recent update to the financial inclusion reporting tool to analyse inclusive insurance, and how sex-disaggregated data is included. The data disaggregated by sex is further broken down for specific groups of the population, such as low-income or rural, which aims to foster specific public

policies to support the inclusion of such vulnerable groups.

After Óscar's presentation, **Natalia López Uris**, Senior Policy Advisor at the Superintendencia de Seguros de la Nación (SSN) gave an overview of how the Argentinian Supervisor has been advocating for the inclusion of women in insurance. Natalia shared how the SSN has joined forces with the industry, as well as other insurance stakeholders. One of the outputs is the campaign "Mejor con Seguros" which has the objective to educate and build a culture of prevention and encourage insurance awareness as a tool for financial inclusion, with a particular focus on low-income women.

The presentations were followed by a Q&A discussion.

The recording of this event will be available shortly on the A2ii's learning and exchange platform [Connect.A2ii](https://connect.a2ii.org).

Supervisory Specials aim to promote peer exchange and discussions, based on presentations of real-life case studies from across jurisdictions. If you would like to present a case study, please contact [secretariat@a2ii.org](mailto:secretariat@a2ii.org).

### A2II-IAIS SUPERVISORY DIALOGUE ON DIVERSITY, EQUITY AND INCLUSION | 25 MAY



During the A2ii-IAIS Supervisory Dialogue on Diversity, Equity and Inclusion (DEI), **Lauren Eckermann**, Senior Policy Advisor at the IAIS, gave a presentation on the key insights from the 2022 IAIS stocktake on DEI in the insurance sector. She covered the benefits that DEI can bring to an insurer's institution in governance, risk management and corporate culture, as well as how DEI considerations in insurer's conduct of business and supervision can result in fairer treatment of customers who are vulnerable, under-served or have specific needs.

After Lauren's presentation, a panel discussion took place that was moderated by **Helen Rowell**, IAIS

DEI Champion and Deputy Chair at the Australian Prudential Regulation Authority (APRA). The discussion featured four panellists: **Anna Jernova**,

Senior Manager at the Prudential Regulatory Authority (UK) and Chair of the IAIS Governance Working Group, **Mark White**, CEO at the Financial Services Regulatory Authority of Ontario (Canada) and Chair of the IAIS Market Conduct Working Group, **Natalia López Uris**, Senior Policy Advisor at Superintendencia de Seguros de la Nación (Argentine Supervisory Authority) and **Lezanne Botha**, Senior Manager at the Regulatory Frameworks Department at the Financial Sector Conduct Authority (South Africa).

Each panellist shared the actions that are being undertaken in their jurisdictions to implement DEI, as well as the challenges that have arisen. Panellists also shared concrete examples of measures taken by their supervisory authority.

One highlight was the discussion around data, the collection and reporting of data and its challenges. Data can make DEI less subjective and provide a more accurate image of the society and the groups that are being excluded or under-served. Data can also make monitoring of DEI measures feasible, establishing concrete benchmarks. The collection of this type of data is, however, still a challenge as there is a large amount of trust needed from consumers to disclose personal information. Measuring inclusion is also still challenging as it is hard to quantify, but efforts are being made to make this a reality.

The recording of this session will soon be available for supervisors only on A2ii's e-learning and per exchange platform, [Connect.A2ii](#).

#### IAIS SUB-SAHARAN AFRICA (SSA) REGIONAL SEMINAR | 19 APRIL, KENYA

The A2ii attended the IAIS SSA regional seminar on the topic of **Strengthening Resilience of Insurance in Sub-Saharan Africa for Sustainability**.

The A2ii presented on the role of supervisors in [climate risk insurance](#) and presented the [KPI lexicon project](#). The A2ii also co-moderated a session on the supervision of inclusive insurance.

During the discussion, challenges were highlighted including whether efforts to implement microinsurance legislation lead to more penetration,

challenges around regulation index insurance, data collection, and the implementation of IFRS 17.

The supervisory KPIs Lexicon is an interactive, searchable directory of key performance indicators for insurance supervisors. The KPIs span four "pillars": prudential soundness, market conduct, insurance market development and the link between insurance and sustainable development.

## Upcoming events

### ASIAN INSURANCE MEET | NEPAL | 8-10 JUNE

A2ii is a co-organiser of the upcoming Asian Insurance Meet in Kathmandu, Nepal, a three-day conference with the theme "Building Resilience of Insurance towards Emerging Risks". It is exclusively tailored to insurance supervisors, international and local insurers, reinsurers, brokerage firms and other related sectors most vulnerable to the impact of emerging risks.

For more information, visit the [event website](#).





## Blog

### RISK-BASED CAPITAL AND SUPERVISION - A2II-IAIS SUPERVISORY DIALOGUE REPORT

Supervisors have been increasingly refining their solvency standards and moving towards risk-based regimes. This shift to risk-based solvency (RBS) approaches has many benefits for stakeholders in the insurance sector including consumers, industry players and supervisors. Not only does it support the development of the insurance market by providing flexibility and encouraging innovation, but it is also more efficient, allocating capital more appropriately to risk and reducing the amount of dormant capital. Additionally, RBS gives supervisors improved measures of financial soundness, insights into insurers' risk management practises and corporate governance structures, comparability and proportionate ladders of intervention, leading to better supervision.

However, implementing RBS is not without challenges. [Read more...](#)

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



## About the IAIS

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

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

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

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