



June 2023 | Issue 123

Newsletter

From the Secretary General



Stakeholder engagement is essential to the IAIS' ability to deliver on our mandate. Input from stakeholders allows the IAIS to have a more holistic picture of emerging risks and trends in the sector and to include a range of perspectives in its planning to ensure that the work we embark upon is most effective and meaningful.

This past month has particularly showcased the varied types of engagements we seek and the manifold topics we cover with stakeholders.

One of the primary opportunities we have for meeting with stakeholders is at our milestone events that take place twice yearly. Two weeks ago, our [Global Seminar](#) in Seattle attracted over 340 participants from more than 65 countries. We explored key issues affecting global insurance supervision through an active exchange of ideas with stakeholders and members.

I am also pleased to say we've already begun to see results on our drive to increase consumer representation in IAIS activities, as illustrated by increased participation in the Global Seminar and a structured engagement led by the Market Conduct Working Group.

Building on momentum from Seattle, we published on 21 June a new Stakeholder Engagement and Consultation Policy for a 60-day [public consultation](#). While we are proud of the work we already do to engage with stakeholders, we are always looking for ways to improve our outreach.

Three further consultations were launched last week, including the final [public consultation](#) on the Insurance Capital Standard (ICS) as a prescribed capital requirement before its planned adoption in December 2024. We are particularly keen that all stakeholders use this final opportunity to engage on this important global standard.

Collaborating with other standard setters is also, of course, a priority. Most recently, we welcomed the [International Sustainability Standards Board's \(ISSB\) climate-related disclosure standards](#).

Looking to the future, we are in the process of developing our next five-year Strategic Plan, which will come into effect in 2025. In Seattle, we also launched a targeted [stakeholder survey](#) to seek feedback on the key themes that should form the backbone of our work as the global standard setter for insurance supervision. Whilst our purpose of maintaining fair, safe and stable insurance markets for the benefit and protection of policyholders and contributing to global financial stability will continue to be at the core of what we do – as the insurance sector develops, so too must our work.

Through our consultations on the stakeholder engagement policy and Strategic Plan, we also hope to obtain thoughts on how we might best leverage technology in our engagement and communications, including targeted use of virtual formats to broaden our reach, improve efficiencies and lower environmental

impact. At the same time, in-person engagement remains critical to maintaining the social capital of a membership association, so we will build on our Annual Conference and look to leverage other opportunities for in-person meetings.

As a busy June draws to a close, we very much look forward to the valued feedback we will receive from our stakeholders on these varied topics, as well as the opportunity to continue these important conversations during the many engagements planned until we meet again at the IAIS [Annual Conference](#) in November.

Jonathan Dixon, Secretary General

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Calendar Notes

Save the Date: 2023 IAIS Annual Conference 9-10 November, Tokyo, Japan

Looking ahead to November 2023, information on the committee meetings, AGM and Annual Conference in Tokyo will be posted on our [website](#) as it becomes available.

In Focus

IAIS Global Seminar 2023 | Seattle, USA | 15-16 June

The IAIS Global Seminar is the IAIS' annual event focused on engaging with stakeholders on key priorities for the insurance sector and the Association's upcoming work.

On 15-16 June, after three days of productive discussions amongst members during our committee meetings, the IAIS hosted over 340 participants from more than 65 countries to discuss the emerging trends and risks facing the global insurance sector and expectations on what this means for the changing role of insurance supervisors.

Through a wide-ranging agenda across eight panels and three roundtables, stakeholders and members were encouraged to engage on several topical issues.

Replays



Summaries of the sessions, video replays and pictures are published on the [Global Seminar 2023 webpage](#).

Assessing emerging risks

As part of the process of analysing data received for the annual Global Monitoring Exercise (GME), the Global Seminar provided an opportunity to discuss and challenge our emerging findings. The GME this year has two themes:

1. Key risks that the global insurance sector faces in a challenging economic and financial backdrop. These include a reset in interest rates driven by inflationary pressures in several large economies; increased liquidity risks in markets generally; and a need to monitor the credit quality of insurers' assets and look at the debt sustainability of some key asset classes to which insurers are exposed.
2. Follow-up on work reported in our 2022 [Global Insurance Market Report](#) (GIMAR) regarding structural shifts in the life insurance sector.



Our discussions during both the panel on emerging risks in the global insurance sector and Executive Committee (ExCo) Dialogue provided platforms to explore these issues further.

“These volatile conditions continue to underscore the value of global coordination on insurance supervision.”

- Vicky Saporta, ExCo Chair

ExCo Dialogue

This year's IAIS ExCo Dialogue was presented in a new format – an interactive Q&A session. Panellists covered a broad range of topics spanning all of the IAIS' high-level goals – financial stability, standard setting, supervisory practices, and capacity building and implementation.

Members of the ExCo leadership touched on key macroeconomic and emerging risks facing the insurance sector as monitored in the GME, the development of the Insurance Capital Standard (ICS). Panellists also exchanged on supervisory practices (including with reference to FinTech, conduct risk, operational resilience, financial inclusion and DEI) and development of the 2025-2029 IAIS Strategic Plan.



Also underlined was how, in tackling the IAIS' key projects, including closing the protection gap, the IAIS takes a broad lens, looking at consumers beyond existing policyholders and coordinating with other standard-setting bodies and institutions.

Key strategic themes

The Global Seminar panels further developed the Association's views on the issues that are currently front and centre on the IAIS' agenda. In the face of growing risks from climate change, the panel on climate risks considered how these should be effectively reflected in insurance supervision.



Meanwhile, the panel on InsurTech discussed what developments in artificial intelligence and machine learning in the insurance sector mean for consumers and how supervision should focus on the consumer protection risks and benefits of this rapidly evolving field.



On the second day of the event, a separate panel discussed the IAIS' work to consider the role that insurance supervisors should play, working with insurers, policymakers and other stakeholders to address natural catastrophe protection gaps.



In addition, a new roundtable format was adopted to discuss the IAIS' work on diversity, equity and inclusion (DEI) and the supervision of cyber and operational risk. The International Actuarial Association (IAA) hosted a third, well-attended roundtable on the implementation of International Financial Reporting Standards (IFRS) 17. A [breakfast session](#) for members from emerging market and developing economy (EMDE) jurisdictions was also held in this roundtable format earlier in the week.



IAIS Strategic Plan 2025-2029

As the IAIS begins developing its next five-year Strategic Plan, two panels discussed the key issues that the IAIS will need to consider in its planning in an environment where risks are becoming more frequent, severe, connected and ambiguous.

Public survey

The IAIS is seeking more stakeholder input into its next five-year IAIS Strategic Plan – please share your feedback [here](#).

Following an introduction from the IAIS Secretariat, the first panel discussed key risks and trends that will impact insurers' business models in the medium-term, as well as where the IAIS should focus its standard-setting activities. The second panel considered the priorities of the IAIS in sharing good supervisory practices and observance and implementation of its standards.



Panellists underscored that continued engagement between supervisors and a wide range of stakeholders will be essential, including across government, industry, consumer groups, and supervisory college mechanisms.



Insurance Capital Standard

The Global Seminar concluded with a panel on the ICS, where the latest updates on the finalisation of the ICS ahead of its adoption at the end of 2024 were provided.

The panel started with an overview of the [public consultation](#) on the candidate ICS as a prescribed capital requirement (PCR), including the most substantive changes made relative to ICS version 2.0. The panellists discussed developments in the planned implementation of the ICS in the European Union, Japan and the United Kingdom; and the next steps on the Aggregation Method comparability assessment.



Jonathan Dixon, IAIS Secretary General, closed the Global Seminar with a key takeaway from the many discussions:

“There was a particular focus on what supervisors can do to be part of the solution to key societal challenges, like climate change, resilience and sustainable development. These topics are not only the domain of the insurance sector. But, in many cases, the insurance sector needs to be at the forefront of tackling these challenges as society’s risk manager.”

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

Save the Date

Looking ahead to November 2023, information on the committee meetings, AGM and Annual Conference in Tokyo will be posted on our [website](#) as it becomes available.

News

CONSULTATIONS

Final consultation in preparation for adoption of the ICS in 2024 is open for comment

Last week, the IAIS launched the fourth and final [public consultation](#) on the Insurance Capital Standard (ICS) before its planned adoption in December 2024.

Having already developed the qualitative element of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), the IAIS has been focused on the steps to finalise its quantitative element, namely the ICS. ComFrame will then provide a complete framework that establishes supervisory standards ensuring the effective group-wide supervision of Internationally Active Insurance Groups (IAIGs).

The ICS is one of the most observed, empirically driven and consulted on international financial standards. Last year the IAIS collected over 30,000 individual data points per insurance group, even before counting information on financial instruments. In total, over 4 million data points have been collected over the last three years.

ICS as a PCR

Once adopted, the ICS as a prescribed capital requirement (PCR) will provide a consolidated, risk-based measure of capital adequacy of IAIGs. Group-wide supervisors will use the ICS as a binding requirement, at group level, for IAIGs headquartered in their jurisdiction. IAIS members are committed to the implementation of IAIS standards, and some members are already taking steps to embed the ICS in their regulatory regimes.

The candidate ICS as a PCR that is being consulted upon incorporates policy changes made to ICS version 2.0, based upon data and feedback collected during the monitoring period. These include changes to its three components (valuation, capital requirements, capital resources), which were informed by feedback received from volunteer groups, colleges of

supervisors and stakeholder engagement efforts during the monitoring period.

In addition to feedback on the standard itself, the IAIS is collecting input on the foreseeable economic impact of the ICS implementation. That input will inform the ICS Economic Impact Assessment, which will evaluate the effects that the implementation of the ICS may have on product availability, insurers' business models and financial markets.

Taken together, the ICS as a PCR public consultation, the economic impact assessment and the additional data gathered during the ICS monitoring period will provide a significant body of evidence to inform the IAIS' decision on the adoption of the ICS at the end of 2024.

Comments on the [consultation](#) are invited by Thursday, 21 September 2023 24:00 CEST.

For more information contact Lazhare Bouldi at lazhare.bouldi@bis.org.

Background call replay

On 29 June, the IAIS hosted a public background call on the following consultations:

- ICS
- ICPs 14 and 17



The replay and slides are available on our [website](#).

CONSULTATIONS

Public consultation of ICPs 14 and 17

The IAIS has published [consultations](#) on draft revised Insurance Core Principles (ICPs) 14 (Valuation) and 17 (Capital Adequacy). ICP 14 establishes supervisory requirements for the valuation of asset and liabilities for solvency purposes. ICP 17 establishes regulatory capital resources and requirements.

ICP 14 and ICP 17 were not included in the ICPs revision of 2019, recognising that work was ongoing on the ICS. It was decided in 2019 that these two revised

ICPs, along with their related terms in the IAIS [Glossary](#), would be adopted by the end of the monitoring period (ie by end-2024). Integration of ComFrame material into ICPs 14 and 17 is planned after the adoption of the ICS as a PCR.

Comments on the [consultation](#) are invited by Thursday, 21 September 2023 24:00 CEST.

For more information contact Martin Hahn at martin.hahn@bis.org and Lydia Kimumwe at lydia.kimumwe@bis.org.

CONSULTATIONS

IAIS consults on a new policy for engaging with stakeholders

The IAIS has published for consultation a new IAIS [Stakeholder Engagement and Consultation Policy](#) (SECP). The policy affirms that stakeholder engagement is an integral part of IAIS operations as a global standard setter. It builds on a solid foundation of established stakeholder engagement but recognises that to reach a wider range of stakeholders it is important that the IAIS continue to innovate in the way it engages. The policy is focused on ensuring that the IAIS can engage with a diverse range of stakeholders, that have equal access to the IAIS and that conflicts of interest are avoided.

[Consultation responses](#) are invited by 20 August 2023 24:00 CEST.

Background session

A public background session hosted by Jonathan Dixon, IAIS Secretary General, will be held via webinar on Wednesday 5 July from 13:00-14:00 CEST to present the SECP and answer questions from stakeholders. Click [here](#) for details and registration.

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

SURVEYS

IAIS seeks stakeholder input to its Strategic Plan 2025-2029

The IAIS has launched a process to develop its next [Strategic Plan](#), which will guide its work over the five-years from 2025 to 2029. It will replace the current Strategic Plan, which concludes at the end of 2024.

The IAIS is therefore inviting stakeholders to share their views through a [survey](#). Input from stakeholders will allow the IAIS to have a more comprehensive picture of emerging risks and trends in the sector and to include a range of perspectives in its planning, ensuring that the work in the coming years is most effective and meaningful.

In addition, two panel discussions at the IAIS Global Seminar in Seattle (15-16 June) explored future risks and other topics for consideration in our new Strategic Plan.



Replays of those sessions are available on our [website](#).

Responses to the survey can be submitted [here](#). The deadline has been extended to 18 July 2023.

For more information contact Alistair Gough at alistair.gough@bis.org.

FINANCIAL STABILITY

IAIS publishes updated Global Monitoring Exercise (GME) document

The IAIS Global Monitoring Exercise ([GME](#)) is designed to assess global insurance market trends and developments and detect the possible build-up of systemic risk in the global insurance sector.

The IAIS has published an [updated Global Monitoring Exercise \(GME\)](#) document, outlining the objectives and process of the GME, and changes resulting from the three-year review cycle. The changes are the result of the three-year review cycle and were [consulted](#) upon December 2022 – February 2023. They focus on an updated methodology to calculate individual insurers' systemic risk footprint in the individual insurer monitoring (IIM).

In summary, key changes made include:

- Updating of the insurer pool selection criteria;
- Removal of the financial guarantees indicator;
- IIM indicator reweighting;
- Updating currency exchange rates used in the calculation of IIM systemic risk scores; and
- Fixing the rescaling factor between the liability liquidity and short-term funding indicators.

Areas of ongoing work focus on enhancing the monitoring of the Level 3 assets and the development of ancillary indicators on reinsurance, derivatives and credit risk.

The detailed [resolution of comments](#) received is also published.

For more information contact Nicolas Colpaert at nicolas.colpaert@bis.org.

CLIMATE

IAIS welcomes finalisation of ISSB disclosure standards

The IAIS welcomes the International Sustainability Standards Board's (ISSB) publication of its inaugural standards for general sustainability and climate-related

disclosures as they will improve the quality and comparability of sustainability and climate risks reporting globally. This will further enhance insurance supervisors' ability to assess the exposure of insurance markets and insurers to sustainability and climate risks.

The IAIS' Climate Risk Steering Group (CRSG) has set up a disclosures workstream that will study closely the Climate Related Disclosure Standard and take stock of relevant developments in climate risk disclosures.

Following this, the IAIS will consider whether further work is needed, such as issuing guidance for supervisors to aid their implementation of climate risk disclosure requirements in line with the ISSB Standards.

In addition, through the [FSB Roadmap for Addressing Financial Risks from Climate Change](#), we will continue to work collaboratively with other standard-setting bodies to address climate risk.

For more information on the IAIS work related to climate risk, click [here](#).

For more information contact Miroslav Petkov at miroslav.petkov@bis.org.

Event Spotlight

Insurance Europe International Conference | Paris, France | 7 June

Jonathan Dixon, IAIS Secretary General, joined Insurance Europe as a speaker during their [International Conference](#) on 7 June in Paris.

The panel, moderated by Jad Ariss, Managing Director of the Geneva Association, discussed how to tackle more frequent, varied and severe cyber risks.

Jonathan offered a global supervisory perspective by sharing an overview of findings from the [Global Insurance Market Report special topic on cyber](#) and discussing the interconnectedness of current financial systems, which could lead to increased systemic risk. However, he noted that this is juxtaposed with an



encouraging trend of corporate spending on cyber hygiene, government spend on cyber security and a greater commitment to proactive approaches.

Jonathan also shared the IAIS experience in looking at protection gaps. He noted the strong consensus amongst the global community of insurance supervisors that there is a role to play in working with others to addressing protection gaps and that many of

the learnings the IAIS has already gained could be transferable to also help aid in reducing the cyber protection gap.



To view the video click [here](#).

For more information contact Melanie Clowes-Haug at melanie.clowes-haug@bis.org.

Asia Insurance Meet 2023 | Kathmandu, Nepal | 8-10 June

The Asian Insurance Meet (AIM) 2023 gathered supervisors and stakeholders for a three-day conference to explore emerging risks, understand the techniques to identify, assess and mitigate emerging risks; develop appropriate strategies and build technical capabilities to minimise the impact of emerging risks and facilitate mutual understanding and cooperation. It consisted of a day for supervisors only and two days of exchange with industry and other stakeholders.

The event was hosted by the Nepal Insurance Authority (NIA) and co-hosted by the Access to Insurance Initiative (A2ii), the Asian Development Bank (ADB) and the IAIS and was supported by the Asian Forum of Insurance Regulators (AFIR). The Conference [programme](#) can be found online.

Also see the A2ii article [below](#).

SUPERVISORS ONLY DAY | NEPAL | 8 JUNE

On 8 June, more than 60 representatives from a dozen supervisory authorities from Southeast Asia (including from Bangladesh, Bhutan, Cambodia, India, Indonesia, Macao, Malaysia, Maldives, Pakistan, Sri Lanka, Thailand, and also from Jordan) and NIA participated in the Supervisors Only Day.

The Chairman of NIA opened the day, emphasising the AIM 2023 as a catalyst for peer exchange in the region and to promote the insurance markets' contribution to resilience to emerging risks. The IAIS and the A2ii jointly facilitated discussions on risk-based supervisory regimes and capital.

Subsequently, the topic of digital innovation in the insurance sector, focussing on index insurance, was presented by the A2ii, the United Nations Capital Development Fund (UNCDF) and NIA. The results of the capacity building survey, moderated by the ADB,

A2ii and IAIS, demonstrated that the top five areas of demand are insurance regulation and supervision, risk assessment and management, InsurTech/digital innovation and climate as well as equally on micro-insurance/ financial inclusion, sustainability and IFRS 17.

Manuela Zweimueller, the IAIS' Head of Implementation, emphasised in her closing remarks the importance of lively discussions to valuable peer exchange and learning from each other, fostered by the informal setting of Day 1. She also invited supervisors to join the IAIS peer exchange platforms on risk-based solvency implementation and financial inclusion.

“As insurance regulators, we have a critical role in ensuring that the industry is adequately prepared to manage emerging risks.”

**- Surya Prasad Silwal,
NIA Charman**

ASIAN INSURANCE MEET 2023 | NEPAL | 9 AND 10 JUNE

Nearly 350 participants, including insurance supervisors, regulators/ministries and the insurance industry, such as brokers, rating agencies, professional associations, academics and capacity-building providers, attended this first in-person AIM 2023 since the pandemic.

The day started with a focus on climate risks and natural catastrophes. Opening remarks were provided by the Honourable Finance Minister of the Nepal Government, Mr Prakash Sharan Mahat, and NIA's Chairman, Surya Prasad Silwal. Both emphasised the urgency for action to enhance resilience against climate risk in Nepal and Southeast Asia. Arup Chatterjee, Principal Financial Sector Specialist at ADB, joined the plea for action in his keynote on climate change challenges and disaster risk financing. Next, the IAIS and the A2ii shared their work on climate risk and protection gaps with the audience, emphasising the macroprudential impact of natural disasters on the real economy.

Subsequent presentations and panels focussed on the role of (re)insurers in addressing climate change, earthquake and agricultural index insurance, sharing developments and practices from across the region. It

was emphasised that providing accessible and affordable coverage is critical.

The final day of AIM 2023 covered topics such as life insurance, diversity, equity and inclusion, and the A2ii gender-disaggregated toolkit for supervisory use. A presentation on the risk-based supervisory framework in Nepal rounded out the day and provided an insight into NIA's next steps in gradually implementing such frameworks by 2027. Major elements include risk-based capital, the firms' own risk and solvency assessment (ORSA), risk management and governance, and climate disclosures. Engagement with the audience demonstrated the challenges ahead and the need for a proportionate approach.

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

IAIS-IAA ExCo Dialogue | Virtual | 27 June

The Chair and Vice Chairs of the IAIS Executive Committee (ExCo) held their bi-annual dialogue with the leadership of the International Actuarial Association (IAA). The two leadership teams discussed the [Insurance Capital Standard \(ICS\) consultation](#), input for the development of the IAIS' Strategic Plan and the IAA work on the future of actuaries. The IAA provided an update on their work to assess the actuarial links to the Sustainable Development Goals and, in particular, water risk. Meanwhile both sides updated on their ongoing work to better assess risks from climate change.

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

CRO Roundtable | Virtual | 21 June

The IAIS hosted its annual roundtable with Chief Risk Officers (CROs) on 21 June as an input to the Global Monitoring Exercise (GME), the annual IAIS [Roadmap](#) and Strategic Plan 2025-2029. The roundtable provided the opportunity for the IAIS ExCo to meet with CROs from 11 internationally active insurers to compare assessments on the key risks the global insurance sector face. The roundtable takes place annually with attendance rotating amongst a pool of insurers, with both business and geographic diversity.

Participants discussed their views on the economic and financial outlook with heightened market volatility, credit and liquidity risks. They also discussed disclosure and insurability of climate risks.

The roundtable ended with a discussion on low-probability high-impact risks that CROs are considering and additional medium-term trends that are relevant for the life and property/casualty businesses.

For more information contact Joe Perry at joe.perry@bis.org and Nicolas Colpaert at nicolas.colpaert@bis.org.

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.

FinTech Forum | Basel | 6 June

The FinTech Forum (FF) had an in-person meeting on 6 June to discuss:

- Jurisdictional updates on recent FinTech developments affecting the insurance sector and

insurance supervisors, including supervisory responses to the use of artificial intelligence (AI)-powered search fields and the different approaches adopted to monitor and address these FinTech developments in member jurisdictions;

- Insights from [AM Best's Special Report](#) entitled "Insurers Continue to Innovate, Albeit to Varying Degrees" that was issued in April 2023;
- The progress of the 2023 FF workplan, including the progress of the AI/machine learning (AI/ML) model risk management thematic review; and
- Potential areas for future work for the FF, including the identification of interlinkages between digital innovation and environmental, social and governance (ESG) initiatives, assessing the extent of crypto asset activities in the insurance sector, and understanding key elements and issues of concern surrounding the use of FinTech tools in the provision of parametric insurance.

The next FF meeting is scheduled to be held virtually on 11 September.

The FF meeting was preceded by a successful joint BCBS-FSI-IAIS meeting on the use of innovative technology in financial supervision (SupTech). See the FSI update [below](#) for information on that event.

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

Financial Crime Forum | Virtual | 8 June

The Financial Crime Forum (FCF) met virtually on 8 June to discuss:

- Jurisdictional updates relevant to combatting financial crime and money laundering; and

- Recent activities of the Financial Action Task Force, including its report on countering ransomware financing that was published in March 2023.

For more information contact Hanne van Voorden at hanne.vanvoorden@bis.org.

Supervisory Forum | Virtual | 8 June

The Supervisory Forum (SF) had a virtual meeting on 8 June to discuss:

- The proportionality principle: sharing perspectives, experiences, challenges, and illustrative practices pertaining to the effective implementation of this overarching principles of the IAIS supervisory material; and
- Supervisory topics and priorities for the next meetings, including cyber insurance supervision and cyber risk as well as conduct risk and supervisory enforcement.

The SF will next convene with the Governance Working Group (GWG) in a joint meeting on 7 July to discuss issues related to the supervision of remuneration practices within the industry. Another SF virtual meeting will be scheduled in the second half of 2023.

For more information contact Guillaume Scheffler at guillaume.scheffler@bis.org.

Capacity Building

UPCOMING

FSI-IAIS online capacity development programme | Virtual | 17 August-12 December

The online capacity development programme offered jointly by the FSI and IAIS is composed of two courses:

1. FSI-IAIS Regulatory and Supervisory Training Online Course (FIRST ONE)

This course is for entry-level supervisors and experienced professionals who are new to insurance supervision. It aims to familiarise participants with the essential elements of insurance supervision, covering both prudential and conduct aspects. The course will run from 17 August to 17 October.

2. Specialised Insurance Online Course (SIOC)

This course is for professionals interested in international insurance regulatory standards and the

supervision of internationally active insurance groups (IAIGs). It aims to explain the key technical aspects of the global insurance reform package comprising the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), the global Insurance Capital Standard (ICS) and the Holistic Framework for the assessment and mitigation of systemic risk in the global insurance sector (Holistic Framework). The course will run from 17 October to 12 December.

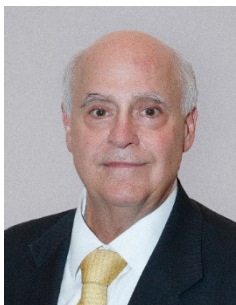
All IAIS members will be invited to nominate up to 10 staff members to join either or both courses.

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

IAIS Bootcamp for Assessors | Virtual | 10-12 October

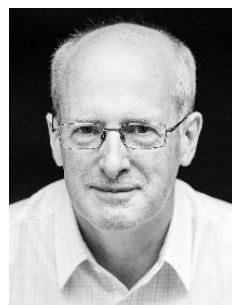
The IAIS is pleased to announce the trainers for the IAIS Bootcamp for Assessors, exclusively open to IAIS members. This three-day bootcamp, scheduled from 10 to 12 October 2023 in Basel, aims to provide comprehensive training for individuals to assess the implementation of the IAIS' supervisory material.

Two experienced assessors will lead the training sessions:



Michael Hafeman: Michael is an actuary and an IAIS Distinguished Fellow. He has been providing policy and implementation assistance for the insurance and pensions sectors for more than 20 years in over 70 countries. Michael also has extensive experience providing trainings for

both regional and international organisations, including for the IAIS. Notably, Michael has contributed to IAIS assessment exercises such as the Targeted Jurisdictional Assessments (TJA) and Peer Review Process (PRP).



Ian Tower: Ian brings extensive expertise in central banking and the regulation of banking and insurance. Amongst other implementation exercises, he has been actively involved in assessing insurance regulation for the International Monetary Fund (IMF) Financial Sector

Assessment Program (FSAP) exercises in 10 countries since 2013. Currently, Ian is leading an assessment under IAIS' Member Assessment Programme (MAP).

These two trainers will be supported by two experienced members of the Standards Assessment Working Group (SAWG), namely:



Brad Roberts: Brad, SAWG Vice-Chair, is a seasoned insurance industry leader and regulatory supervisor. He oversees insurance supervision for the U.S. Federal Reserve and has participated in several assessment exercises, including FSAP and various IAIS

assessments. Brad also serves on the IAIS' Implementation & Assessment Committee, Macroeprudential Committee, and Supervisory Forum.



Patrizia Camurani: Patrizia, SAWG member and co-lead of the TJA, brings more than two decades of experience in prudential supervision and expertise in assessment exercises within the EU. She currently serves as a policy advisor at IVASS (Italian

Insurance Supervisory Authority) International Cooperation Division.

By participating in this bootcamp, IAIS member representatives will gain the necessary knowledge and skills to become proficient assessors for future implementation assessment activities conducted by the IAIS and local authorities.

To learn more and apply for this inaugural bootcamp, interested IAIS members are encouraged to click [here](#). The application deadline is **14 July**.

For more information contact Guillaume Scheffler at guillaume.scheffler@bis.org and Miho Chen at miho.chen@bis.org.

Meet our Staff

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

Welcome to the IAIS Secretariat



Name: Lazhare Bouldi

Current role: Senior Policy Adviser

Time with the IAIS: Since June 2023

Last employer: EIOPA (European Insurance and Occupational Pensions Authority)

Favourite pastime: Reading “bandes dessinées” (comic books)

Lazhare joined the IAIS Secretariat on 1 June as Senior Policy Advisor. In his role, Lazhare will work within the capital team and support the IAIS’ policy development activities, which includes contributing to the Insurance Capital Standard (ICS) project and supporting IAIS groups such as the Capital, Solvency and Field Testing Working Group (CSFWG), Policy Development Committee (PDC), and Insurance Capital Standard and Comparability Assessment Task Force (ICSTF).

Before joining the IAIS, Lazhare was working at EIOPA’s Policy Department, focusing on quantitative aspects of insurance regulation.

Lazhare holds a master’s degree in Insurance Law from the University Paris 2 – Panthéon ASSAS, France, and a master’s degree in Actuarial Science from the Institut de Sciences Financières et d’Assurance in Lyon, France.

Appointments

The Executive Committee (ExCo) recently appointed **Gerry Cross (Ireland)** as diversity, equity and inclusion (DEI) ExCo Champion.

Committee and Subcommittee Activities

Committee Activities

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) met in Seattle on 12 June to advance its discussions on its 2023 workplan.

This included:

- Discussing the Secretariat management team’s assessment of the key risks impacting the Association’s ability to achieve its objectives in the next three to six months;
- Discussing the outcomes of the periodic assessments of activity-based risks (this relates to processes that underpin and enable the

achievement of the Association's strategic objectives);

- Assessing the sufficiency of existing insurance policies; and
- Reviewing the outcomes of the 2022 external audit.

The next meeting of the ARC will be held in November 2023 in Tokyo, Japan.

Secretariat support: ruby.garg@bis.org

BUDGET COMMITTEE

The Budget Committee (BC) met in Seattle on 12 June. Updates and discussions included:

- Secretariat report on IAIS operations;
- 2023 Budget execution and fee update;
- Progress update on the 2025-2029 Strategic Plan and Financial Outlook (SPFO);
- 2023 Annual Conference budget update (Japan); and
- 2024 Annual conference preliminary update (South Africa).

The next BC meeting will be held virtually in October 2023.

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

EXECUTIVE COMMITTEE

The Executive Committee (ExCo) met in Seattle on 14 June. During this meeting, ExCo:

- Approved the adoption of the final report on the Member Assessment Programme (MAP) Albania;
- Approved draft revised Insurance Core Principles (ICPs) 14 (Valuation) and 17 (Capital Adequacy) and related terms for public consultation;
- Approved the candidate Insurance Capital Standard (ICS) as a PCR for public consultation;
- Received updates on the recent activities of the Climate Risk Steering Group (CRSG) and the FinTech Form (FF);
- Approved the publication of the updated Global Monitoring Exercise (GME) Level 2 Document;
- With respect to the 2023 GME, agreed upon the scope of the collective discussion on the assessment of systemic risk in the global insurance sector and the appropriate supervisory response, to be held in September;

- Received an update on the recent activities of the Strategic Plan and Financial Outlook Task Force (SPFOTF); and
- Received an update on the latest activities to progress diversity, equity and inclusion (DEI) within the IAIS.

Immediately following the ExCo meeting on 14 June, ExCo members took part in a discussion session with two cloud service providers, headquartered in Seattle – Amazon Web Services (AWS) and Microsoft Azure. The discussion was moderated by Petra Hielkema, Chair of the FF, and focused on a various topics, including operational and conduct risks faced by insurers arising from the increased utilisation of cloud services.

The next meeting of ExCo will be on 21-22 September in Basel.

Secretariat support: malene.duncan@bis.org and gemma.schneider@bis.org

IMPLEMENTATION AND ASSESSMENT COMMITTEE

The Implementation and Assessment Committee (IAC) met in Seattle on 13 June to:

- Recommend the final report on the Member Assessment Programme (MAP) Albania;
- Approve the member-only report "Use of conduct indicators in insurance supervision – approach and examples";
- Discuss initial strategic considerations on the IAIS assessment activities;
- Discuss the revised IAIS Assessment Handbook; and
- Discuss progress on the update of the Application Paper on Regulation and supervision supporting inclusive insurance markets.

In addition, the IAC received updates on the activities and projects of various subcommittees, forums and task forces.

The next meeting of the IAC will take place virtually in September 2023.

Secretariat support: carlos.lopezmoreira@bis.org and miho.chen@bis.org

MACROPRUDENTIAL COMMITTEE

The Macroprudential Committee (MPC) met in Seattle on 13 June. During this meeting, the MPC:

- Held a tour de table on the macroeconomic outlook and how this impacts the insurance sector;
- Recommended the publication of the updated GME level 2 document;
- With respect to the 2023 GME, agreed upon the recommended scope of the collective discussion on the assessment of systemic risk in the global insurance sector and the appropriate supervisory response, to be held in September;
- Discussed the work on the level 3 assets indicator and the development of ancillary indicators on credit risk, derivatives and reinsurance;
- Received updates from the Macroprudential Supervision Working Group, Resolution Working Group and Climate Risk Steering Group.

The next meeting of MPC will take place on 20 September in Basel.

Secretariat support:

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POLICY DEVELOPMENT COMMITTEE

The Policy Development Committee (PDC) met in Seattle on 12 June to:

- Recommend the draft revised ICPs 14 (Valuation) and 17 (Capital Adequacy) and related terms for public consultation;
- Recommend the consultation document on the candidate ICS as a PCR for public consultation;
- Discuss IAIS future work on operational resilience, considering also the public consultation outcome on the Issues Paper on Operational Resilience in the Insurance Sector;
- Discuss initial proposals from the Resolution Working Group to address identified issues with the standards related to recovery and resolution, as part of the follow-up to the targeted jurisdictional assessments of the Holistic Framework supervisory material; and
- Receive updates on the recent activities of the Climate Risk Steering Group, Governance Working Group and Market Conduct Working Group.

Secretariat support: hanne.vanvoorden@bis.org and alka.sharma@bis.org

Subcommittees Activities

CLIMATE RISK STEERING GROUP

The Climate Risk Steering Group (CRSG) met virtually on 28 June to:

- Discuss feedback on the latest draft Application Paper materials on both climate-related market conduct considerations and climate scenario analysis, which are scheduled to be published for consultation by end-2023; and
- Discuss initial observations on the feedback received from the public consultation on Climate risk supervisory guidance – part one.

The CRSG will next meet virtually on 30 August.

Secretariat support: miroslav.petkov@bis.org

MACROPRUDENTIAL MONITORING WORKING GROUP

The Macroprudential Monitoring Working Group (MMWG) met virtually on 31 May to:

- Discuss the updated GME document;
- Prepare the GME 2023 scope of collective discussion;
- Progress the work on the level 3 assets monitoring as well as the development of ancillary indicators on credit risk, derivatives and reinsurance; and
- Discuss insurance sector exposures to banks and other financial counterparties.

The next MMWG meeting will take place virtually on 11 July.

Secretariat support: nicolas.colpaert@bis.org

STRATEGIC PLAN AND FINANCIAL OUTLOOK TASK FORCE

The Strategic Plan and Financial Outlook Task Force (SPFOTF) held a meeting in Seattle on 14 June. The SPFOTF considered input from a Member survey focused on input related to the operations of the IAIS and its Financial Outlook. The SPFOTF also discussed a number of key issues related to the development of the Strategic Plan.

Secretariat support: alistair.gough@bis.org

Calendar of meetings and events

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

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

Date	Group	Location
July 2023		
5	Public discussion session on Stakeholder Engagement and Consultation Policy	Virtual
6	Macroprudential Supervision Working Group	Virtual
6	FSI-IAIS webinar on Climate Scenario Analysis in the Insurance Sector	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
20	Risk-based Solvency Implementation Forum	Virtual
August 2023		
29	Financial Crime Forum	Virtual
30	Climate Risk Steering Group	Virtual
31	Standards Assessment Working Group	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.

FSI Connect

The FSI recently published a new [Executive Summary](#) on “Climate risks: scenario analysis based on guidance published by the Network for Greening the Financial System (NGFS)”.

The tutorials “Types of insurance” and “Life insurance” have been updated to the new Briefs format.

Climate Training Alliance

The BIS-IAIS-NGFS-SIF Climate Training Alliance (CTA) portal provides training materials on various climate-related topics that are relevant for financial supervision, including FSI Connect tutorials on climate scenario analysis in insurance. All staff of IAIS members can self-register to access the portal, without any charge. Click [here](#) to self-register.

IAIS members organising climate-related training events that are open to other financial sector regulators or have developed self-study training materials that they would like to share with other regulators, can do so by writing to FSIConnect@bis.org.

FSI Insights no 49, “Crypto, tokens and DeFi: navigating the regulatory landscape” was published in May

Policymakers face challenges in addressing the risks posed by crypto assets and related activities due to their potential to affect consumer protection, financial stability and market integrity. This paper provides an overview of policy measures taken in 19 jurisdictions to address the risks associated with activities that incorporate crypto assets and distributed ledger technology (DLT) programmability capabilities in financial services. The paper classifies policy measures into three categories and identifies different types of initiatives across jurisdictions, including bans, restrictions, clarifications, bespoke requirements, and initiatives to facilitate innovation. The paper is available on the [FSI website](#).

BCBS-FSI-IAIS meeting on SupTech | 5-6 June | Basel

The BCBS, FSI and IAIS held a joint meeting on “the use of innovative technology in financial supervision (SupTech) – are existing SupTech use cases addressing key supervisory pain points?” on 5-6 June in Basel, Switzerland.

This joint initiative brought together supervisors from 46 countries to discuss digital innovation developments and emerging technologies impacting the supervision of the financial sector, including:

- Common pain points in supervisory processes;
- Identifying the appropriate role of technology to address these pain points and how is it best acquired (ie build vs buy);
- SupTech use cases in banking and insurance supervision and whether there are unaddressed key pain points;
- Addressing the SupTech skills challenge; and
- How international work on SupTech can help address the remaining pain points in supervisory processes as well as SupTech challenges. These included a session on demos of the BIS Innovation Hub's work on SupTech.

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](#)

Recent Events

AIO CONFERENCE | 29-31 MAY | ALGIERS, ALGERIA



The A2ii was invited to participate in the 49th Africa Insurance Organisation (AIO) Annual Conference and Annual General Meeting on the theme

“Contribution of insurance to food security challenges in Africa”.

During the microinsurance workshop that took place, the A2ii gave a presentation in conjunction with the Microinsurance Network on the role of agricultural insurance in improving food security and the role of regulation.

The A2ii also presented on the role of supervisors in promoting inclusive insurance growth during a closed session with the regulators and the AIO executive committee.

ASIAN INSURANCE MEET 2023 | 8-10 JUNE | KATHMANDU, NEPAL



The **Nepal Insurance Authority (NIA)** together with the **IAIS**, **A2ii**, and **Asian Development Bank (ADB)** jointly organised the Asian Insurance Meet (AIM). The three-day event, with the theme of "Building Resilience of Insurance towards Emerging Risks", addressed emerging issues facing Asian insurance supervisors and industry players and brought them together to share experiences and insights. Around 350 participants attended.

The first day was for insurance supervisors only, with a morning session from the A2ii and IAIS on risk-based solvency regimes and risk-based capital frameworks, followed by an afternoon session where the A2ii focused on digital innovation and index insurance. Lastly, the A2ii, IAIS and the ADB held a joint capacity building session, identifying capacity building needs and also presenting A2ii training opportunities services and resources.

On the second day, both supervisors and industry members attended. IAIS and A2ii gave a joint presentation on climate change and the role of insurance supervisors in climate risk insurance, which was followed by a series of panel discussions

on: the role of insurers and reinsurers, earthquake insurance experiences from Asia, and agriculture insurance.

On the final day [A2ii's FeMa Meter](#), a toolkit for sex-disaggregated data, was presented as an initial effort in addressing protection gaps related to Diversity, Equity, and Inclusion (DEI).

See IAIS article on this event [above](#).

MICROINSURANCE NETWORK, JUNE MEMBER MEETING | 13-15 JUNE | LUXEMBOURG

Micro Insurance Network (MIN) held its annual June member meeting in Luxembourg from 13 to 15 June in person for the first time in three years, bringing together its members from the inclusive insurance ecosystem. In this meeting, members showcased their programmes and engaged in workshops to exchange knowledge and align strategies for partnerships in the emerging trends of the inclusive insurance space.

Milena Kozomara and **Stephanie Campos** presented the latest A2ii programmes, including an expanded range of supervisory capacity-building activities in inclusive insurance fundamentals, gender and climate, as well as results of previous [inclusive insurance innovation labs](#) and preparations for the upcoming lab. The meeting concluded with extensive networking amongst members, an insightful exchange on best practices for building resilience amongst vulnerable populations including farmers, health, MSMEs and women, and a dedicated exposure to the Luxembourg financial ecosystem for inclusive insurance.

2023 IAIS GLOBAL SEMINAR | 15-16 JUNE | SEATTLE, USA

As part of the 2023 IAIS Global Seminar, the A2ii participated in an EMDE breakfast session with the **Financial Stability Institute (FSI)** of the **Bank for International Settlements (BIS)**, the **International Actuarial Association** and the **Toronto Centre**.

During this session, **Janina Voss**, Interim Head of the A2ii Secretariat, gave a presentation on A2ii learning resources, featuring the e-learning and exchange platform Connect.A2ii, the new FeMa tool to collect and review sex-disaggregated data, upcoming training programmes and the Inclusive Insurance Innovation Lab (iii-lab).



To read more on the recent IAIS Global Seminar, see IAIS article [above](#).

ADAPTING FOR SUCCESS: KEY LESSONS FROM CLIMATE RISK INSURANCE IMPLEMENTATION IN THE PACIFIC | 19 JUNE

The United Nations Capital Development Fund (UNCDF) Pacific and Climate Adaptation Programme (PICAP) organised a webinar on 19 June. They presented 16 key lessons learned from the two-year inception phase implementing climate risk insurance in the Pacific. The paper is available [here](#).

During the panel **Janina Voss**, Interim Head of the A2ii Secretariat, emphasised the importance of PICAP's active engagement with regulators at all stages of the project as an important key success factor. She then presented the main lessons on regulatory best practices and recommendations from the joint UNCDF-A2ii publication [Index insurance best practices for insurance regulators and practitioners in the Pacific Island countries](#).

G20 GPFI PLENARY MEETING | 24-26 JUNE, INDONESIA



The A2ii, as an affiliated partner, attended the G20 Global Partnership for Financial Inclusion (GPFI) Plenary Meeting in Bali, Indonesia. The event started with a symposium around the crucial theme of "Digital Public Infrastructure for Advancing Financial Inclusion and Productivity Gains Towards

Attaining SDGs." It was an opportunity for discussion and collaborate with policymakers, experts, and stakeholders around financial inclusion.

During the Plenary, GPFI members discussed some important deliverables for the year, including in particular Digital Financial Inclusion and SME Finance. Furthermore, the draft GPFI Financial Inclusion Action Plan (FIAP) 2023 was discussed with the aim to finalise it by end-July, to guide the financial inclusion work under G20 for 2024-26.

In remarks, A2ii advocated for a recognition of climate and disaster risk and its impact on women, highlighting that insurance has a unique role in responding to these risks as it can empower individuals, promote economic growth, and enhance resilience in the face of such challenges. It was stressed that data availability for monitoring financial inclusion is particularly important in the insurance space where there are still significant challenges concerning access. By leveraging technology and innovation, new opportunities can be unlocked along with solutions to address the financial needs of vulnerable populations and propel progress towards the Sustainable Development Goals (SDGs).

Staffing Update



The A2ii is pleased to welcome **Monica Odhiambo** to the team as an Advisor. She takes on the responsibilities for the Actuarial Training as well as the Insurance Core Principles Self-Assessment Tool (ICP SAT).

Prior to joining the A2ii, Monica worked for the Kenyan Insurance Regulator where she carried out prudential supervision of insurers, participated in development of regulations and policies and carried out capacity building for various stakeholders.

She holds a master's degree in Insurance and Risk Management from Bayes Business School and a Bachelor of Economics and Statistics from the University of Nairobi.

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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