

June 2024 | Issue 133

Newsletter

From the Secretary General



This past month, IAIS committees, including the Executive Committee (ExCo), met in Basel. Productive discussion and a collaborative atmosphere led to decisions on several key projects, which are detailed in this newsletter. These included agreements on the next

steps for implementation of the [Insurance Capital Standard](#) (ICS) and the [consultation](#) on our Application Paper on how to achieve fair treatment for diverse consumers.

We also agreed on the key themes for the September collective discussion amongst supervisors on systemic risk assessment and mitigation in the global insurance sector; and following from that approved for publication the [Global Insurance Market Report \(GIMAR\) mid-year update](#) – a preview of the data and analysis from our 2024 Global Monitoring Exercise (GME).

The GME is built upon a robust and comprehensive data set collected from approximately 60 of the largest international insurance groups, as well as aggregate sector-wide data from supervisors worldwide. This data

covers over 90% of global written premiums, providing a comprehensive view on key risks and trends facing the global insurance sector.

It also leverages input collected through stakeholder engagement – including regional outreach, GME workshops and roundtables held by the ExCo with Chief Risk Officers from leading insurance groups.

The ExCo noted that the GME's interim results indicate overall resilience in the insurance sector in 2023. The analysis shows slight improvements in solvency, liquidity and profitability positions compared to the previous year. However, aggregate systemic risk scores increased at the end of 2023, primarily due to an uptick in the level 3 assets¹ indicator. This uptick was primarily driven by accounting changes. The impact of these changes on the underlying risk profiles will be assessed in more depth as part of our ongoing work to refine the GME.

The analysis and discussion of the 2024 GME data in September will delve deeper into the key macroprudential themes identified last year, as these continue to be a top priority for both insurers and supervisors. These themes include the risks insurers face in the challenging and uncertain macroeconomic environment, as well as the structural shifts occurring in the life insurance sector relating to the increased asset allocation to alternative investments and the increased use of cross-border asset intensive reinsurance. Supervisory matters from this last sub-theme will feed into an Issues Paper, planned for publication in 2025.

The mid-year GIMAR 2024 also highlights two other areas of increased supervisory focus: operational resilience to cyber risk and climate-related risks.

¹ Level 3 assets are illiquid, hard-to-value assets.

Recognising the significance of these risks, the IAIS is taking the following actions: firstly, actively developing objectives to support insurers' operational resilience, particularly in the realm of cyber resilience; and secondly, undertaking more in-depth work on climate-related risks, with a dedicated chapter of the year-end GIMAR and in a GIMAR special topic edition on the potential financial stability implications of natural catastrophe (NatCat) protection gaps, to be published in 2025.

The full 2024 GIMAR, to be released at the end of this year, will provide a comprehensive analysis of potential systemic risk developments in the insurance sector. It will offer insightful comparisons to the banking sector and provide more details regarding solvency, profitability and liquidity positions. Additionally, the report will provide an in-depth exploration of the key themes derived from the 2024 GME, which will be discussed by supervisors in September.

Looking ahead, we have the virtual [Global Seminar](#) coming up on 9-11 July, where we will further discuss these topics both in the committee dialogue and during a panel session on insurers' asset management in a changing interest rate environment. I look forward to seeing many of our members and stakeholder there.

Jonathan Dixon, Secretary General



In this Issue	Calendar Notes
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In Focus..... 3	Visit the IAIS Global Seminar 2024 webpage for the full programme, list of speakers and registration details.
News..... 5	<ul style="list-style-type: none">IT update – Registration freeze
Event Spotlight 7	The Bank for International Settlements (BIS), the IAIS' host organisation, is updating the event management system that the IAIS uses for its in-person meetings of (sub)committees. The IAIS Secretariat is working together with the BIS to ensure a smooth transition to the new system with minimal disruptions for members.
Forum Updates..... 8	<u>Registration will not be accessible from 22 July to 5 August.</u>
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In Focus

IAIS charts course on Insurance Capital Standard (ICS) implementation

With the ICS adoption date approaching, the IAIS has begun planning for its implementation.

At its June committee meeting, the IAIS Executive Committee set high-level timelines to assess the comprehensive and consistent implementation of the ICS across jurisdictions.

The ICS will serve as a consolidated, risk-based measure of capital adequacy for Internationally Active Insurance Groups (IAIGs). It forms the quantitative element of the Common Framework for the Supervision of IAIGs (ComFrame), the qualitative element of which was adopted in 2019.

The IAIS is committed to providing support to its members to facilitate their implementation of the ICS.

A two-step approach to implementation

ICS implementation assessment will follow a two-step approach, mirroring the successful model used for the IAIS' implementation assessment of the [Holistic Framework supervisory material](#), the IAIS' standards for macroprudential supervision that were adopted in 2019.

In 2026, the IAIS will coordinate a baseline self-assessment by IAIS members of their progress in implementing the ICS, which will serve as a baseline for future implementation progress monitoring.

Then, with the aim of starting in 2027, the IAIS will conduct in-depth targeted jurisdictional assessments of ICS implementation.

This timeline recognises that it will take some time for jurisdictions to finalise the necessary regulatory and supervisory changes to align with the ICS, taking into account jurisdictional circumstances, and for the IAIS to prepare for implementation assessment.

The IAIS will begin developing a detailed ICS implementation assessment methodology in 2025, leveraging the IAIS' general principles and methodologies for assessing its standards, while taking into account the quantitative nature of the ICS. Recognising that the assessment should not be a line-by-line exercise, the methodology will specify an appropriate level of granularity and articulate the quantitative and qualitative analyses to be used in the assessment.

Data collection

The IAIS will also undertake further work this year to define the need for and scope of any future ICS-related data collection from insurance groups and group-wide supervisors that may be necessary to facilitate the consistent implementation of the ICS.

While the scope of such potential data collection has yet to be defined, by its nature, any such data collection would be more targeted than the data collection undertaken during the monitoring period, which supported the development of the ICS.

“Over the years, the ICS community has contributed an immense amount of work hours, technical input and over five million data points, all of which have made the ICS one of the most tested quantitative capital standards in the history of financial sector standards.”

**- Romain Paserot,
IAIS Deputy Secretary General**

2024 data collection package

The IAIS also published the 2024 [ICS data collection package](#) in June, providing a clear indication of the final ICS set for adoption in December.

Released to volunteer groups in April, the data collection package integrates policy changes from the 2023 version, informed by data and feedback collected from volunteer groups, supervisory colleges and other stakeholders during the monitoring period. It also takes into account input obtained from the public consultation on the candidate ICS as a prescribed capital requirement for IAIGs issued in 2023, as well as the ICS economic impact assessment.

The changes in this year's technical specifications cover the three ICS components (valuation, capital requirement and capital resources). They clarify several aspects (notably the Middle Bucket) of the Market Adjusted Valuation (MAV), simplify the interest rate risk module and, more generally, fix a few calibration and design issues for purposes of consistency and the determination of capital resources and the capital requirement.

"Comments received in response to the 2023 public consultation on the ICS as a prescribed capital requirement helped enhance the ICS design, and it is now almost ready for adoption. This has enabled us to increase our focus on supporting the comprehensive and consistent implementation of the ICS by jurisdictions."

- Shigeru Ariizumi
Chair, IAIS Executive Committee

Next steps

The ICS is planned for adoption at the end of 2024 during the Annual Meeting of Members in Cape Town. In the run-up to this event, the 2024 data collection will inform the final version of the ICS. Alongside adoption of the ICS, the IAIS will also adopt changes to ICP 14 (Valuation) and ICP 17 (Capital Adequacy) following public consultation, and publish ICS-associated materials from the consultation, the ICS economic impact assessment and a report on the Aggregation Method comparability assessment.

Aggregation Method

In parallel with the finalisation of the ICS, the United States is developing an Aggregation Method (AM) for group capital adequacy, which, if deemed comparable, will be considered an outcome-equivalent approach for implementation of the ICS. Issues related to the implementation assessment of an AM will be considered by the IAIS once there is greater clarity on the outcome of the AM comparability assessment and the overall ICS implementation assessment methodology.

Read the [press release](#).

Visit our [website](#) to learn more about the ICS.

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

Public ICS webinar – replay available

On 27 June, the IAIS held a virtual public background session to share the 2024 ICS technical specifications and details about the changes made since the 2023 data collection. The webinar also shared information on the final stages of development of the ICS as well as initial plans for implementation of the ICS from 2025 onwards.



[Click here](#) to view the recording.



News

DEI

Public consultation on Application Paper on how to achieve fair treatment for diverse consumers

In an apt alignment with [Pride Month](#), the IAIS launched its second public consultation of 2024 on diversity, equity and inclusion (DEI)-related supervisory guidance. DEI is a strategic theme for the IAIS, recognising that advancing DEI within insurers' organisations and in the way they operate supports better prudential and consumer outcomes and enhances financial inclusion.

This consultation focuses on the customer-facing aspects of insurance provision and guides supervisors, insurers and intermediaries with a DEI perspective to interpret and fulfil existing requirements of Insurance Core Principle (ICP) 19 (Conduct of Business) so that fair treatment is achieved for diverse consumers.

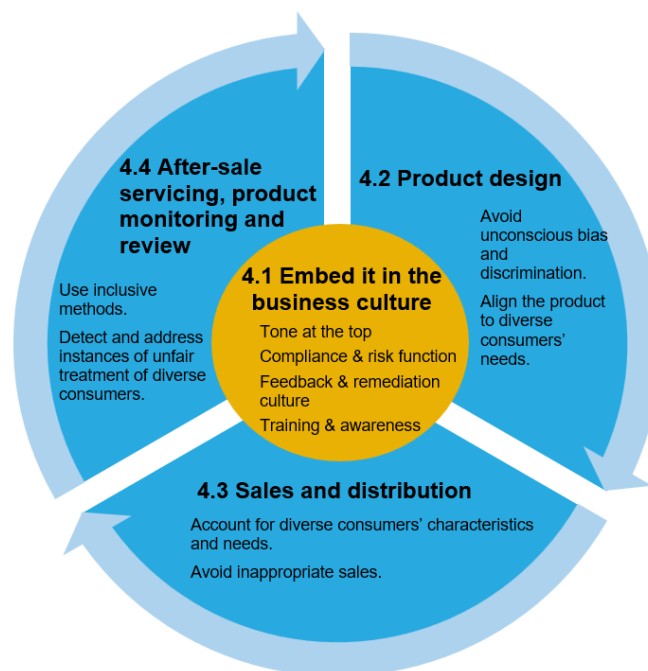
"Diverse consumers" refers to individuals who may be underserved, disabled, from a different racial or cultural background, experiencing vulnerability, or otherwise having unique needs and characteristics that distinguish them from the majority customer base.

The goal is to achieve fair and equitable outcomes for diverse consumers by addressing any systemic and idiosyncratic inequities and considering cultural nuances, language preferences, literacy levels and unique risks faced by different cohorts of a population. The insurance sector should remain accessible, fair and responsive to the needs of all stakeholders in society.

The paper under consultation covers:

- Why the fair treatment of diverse consumers is relevant for supervisors, insurers and intermediaries;
- How the concepts of risk-based pricing and insurer autonomy can coexist with DEI considerations;
- How unfair treatment of diverse consumers can arise; and
- Recommendations on how to drive fair outcomes for diverse consumers using ICP 19 (summarised in the following graphic).

How to implement ICP 19 to drive fair treatment of diverse consumers



Visit the [IAIS website](#) to learn more about our work on DEI or contact Lauren Eckermann at lauren.eckermann@bis.org.

Consultation and public background session on DEI

The IAIS is currently inviting feedback on the Application Paper on how to achieve fair treatment for diverse consumers.

Comments are invited by **25 September at 24:00 CEST**.

To learn more about this consultation, visit our [website](#). To provide comments, please use our [consultation tool](#).

For interested parties, the IAIS will host a public webinar on 17 July (14:00-15:00 CEST) to provide background information and answer questions. To register for this webinar, click [here](#).

Previous DEI-related consultation

On 14 June 2024, [public consultation](#) closed for the Application Paper on supervising DEI – the governance, risk management and culture perspective. The IAIS is in the process of reviewing comments received and aims to finalise the paper by the end of 2024.

DEI

June is Pride month



The IAIS is committed to DEI in how we operate as a global membership association. This includes diversity of gender, sexual orientation, gender identity and expression. Within the Secretariat and externally, we strive to create

an environment where everyone feels a sense of belonging and of being respected and valued.

Read more about our commitment to DEI [here](#).

PARTNERS

FSI celebrates two milestones

The IAIS and the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) have a long-standing partnership aimed at promoting the implementation of insurance standards globally. This year, the FSI is celebrating two important milestones, and the IAIS is proud to be celebrating with them.

Firstly, the FSI's e-learning platform, FSI Connect, turns 20. As the world's first e-learning tool for financial sector supervisors globally, FSI Connect, has bridged barriers to training for many supervisors, particularly from emerging market and developing economy (EMDE) jurisdictions. Over the years, thousands of supervisors have benefited from the platform, gaining access to a wealth of knowledge and training resources.

The IAIS works with the FSI to contribute to the development of insurance-sector specific content. Also, through FSI Connect, the IAIS and FSI have successfully delivered two flagship training programmes: the FSI-IAIS Regulatory and Supervisory Training Online (FIRST ONE) course, for junior-to-mid-level supervisors and the Specialised Insurance Online Course (SIOC), which focuses on more advanced topics in the global insurance regulatory reform package.

The platform has been crucial to the IAIS in fulfilling our commitment to supporting members' efforts to build supervisory capacity and promote effective and globally consistent insurance supervision.

This year also marks the 10th edition of the [FIRST ONE course](#). This unique training program is designed to provide a core understanding of insurance supervision. Over 2,000 supervisors have benefited from this programme globally.

As we celebrate the 20th anniversary of FSI Connect and the 10th edition of the FIRST ONE programme, we reflect on the positive impact of the IAIS and FSI partnership. This collaboration has provided high-quality training resources and fostered a global community of insurance supervisors united in their commitment to improving insurance supervision worldwide.

For more information see the FSI article [below](#) or contact iais@bis.org.



PARTNERS

A2ii supports SUGESE as part of the Global Shield against Climate Risks

At the IAIS, we recognise the pressing need to strengthen financial protection against the negative effects of climate change. We are proud to support the Access to Insurance Initiative (A2ii) in their collaboration with the Superintendencia General de Seguros (SUGESE) of Costa Rica and the Global Shield against climate risks to strengthen insurance supervision and foster inclusive insurance markets as part of an important pilot program. This collaborative effort is a tangible progression from our November 2023 report on [the role of insurance supervisors in addressing natural catastrophe protection gaps](#).

To read further, see the A2ii article [below](#).

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

Event Spotlight

Geneva Association Board and Global Reinsurance Forum | Kyoto, Japan | 5 June



IAIS Executive Committee Chair Shigeru Ariizumi met with the Board and Global Reinsurance Forum of The Geneva Association (GA) in Kyoto. He updated them on the work of the IAIS to finalise the Insurance Capital Standard, discussed trends in reinsurance markets impacting protection gaps, the digitalisation of the insurance sector and the IAIS' work on asset intensive reinsurance. Shigeru also provided an update on the IAIS' 2025-2029 Strategic Plan.

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

IDF Summit | London, United Kingdom | 11-12 June



From 11-12 June, Secretary General Jonathan Dixon and Head of Implementation Conor Donaldson attended the Insurance Development Forum (IDF) Summit in London, a global event bringing together leaders from the climate and disaster risk finance and insurance community.

The theme of the conference was [Why Insurance Matters: Prevent. Protect. Provoke](#), focusing in particular on the role that insurance can play in helping people, businesses and communities better understand and manage risks and shape more resilient and secure societies.

Jonathan joined a high-level panel alongside the Prime Minister of Barbados H.E Mia Amor Mottley and the Chair of IDF Steering Committee and Zurich Insurance Group Michel Liès, providing reflections on the role of insurance supervisors in addressing natural catastrophe protection gaps.

The event provided an opportunity to highlight the work of the IAIS to an audience of varied stakeholders, and to highlight the IAIS' commitment to work with partners in finding joint solutions to the significant societal challenge of addressing protection gaps.

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

GIICS Annual Seminar | London | 12-13 June



The Group of International Insurance Centre Supervisors (GIICS) held its Annual Seminar and General Meeting in London on 12 and 13 June. The meeting was a gathering of insurance supervisors, industry representatives, academics and other key stakeholders.

The seminar featured several sessions formatted as roundtables, panel discussions and Q&A sessions. The wide range of topics addressed include the United Kingdom Financial Conduct Authority consumer duty, the Financial Services compensation scheme, strategies for recruiting and retaining personnel within

regulatory bodies, the role of actuaries and regulators, the impact of climate change on insurance, the mechanics of parametric insurance, risk pricing, public policy and insurance fraud.

During the meeting, IAIS Executive Committee Vice-Chair, Charlotte Gerken and Head of Implementation and Assessment, Conor Donaldson, discussed the projects, activities and strategic themes under the IAIS Roadmap as well as the Strategic Plan for the next five-year period, 2025-2029.

For more information about the GIICS, please visit <https://www.giics.org>.

For more information about IAIS regional engagements, contact Carlos Lopez Moreira at carlos.lopezmoreira@bis.org.

BIS Annual Conference | Basel | 29 June

Jonathan Dixon joined a panel at the Annual General Meeting of the Bank of International Settlements to discuss policy responses for addressing risks from artificial intelligence (AI) in the financial system. The panel included participants from the Basel Committee on Banking Supervision, the Institute of International Finance, the International Organization of Securities Commissions and Microsoft.

Jonathan noted that the IAIS has concluded that the Insurance Core Principles, the international standard for insurance supervision, are sufficiently principles-based to cover the potential risks arising from the increased use of AI in the global insurance sector.

Many of the risks posed by AI, such as data privacy, discrimination, model and third-party vendor risk, are all matters on which supervisors already have clear standards. The task, therefore, is to consider the extent to which AI amplifies these risks or creates new risks that require new supervisory practices.

To this end, the IAIS is currently developing an Application Paper on the supervision of AI, which will be published for consultation in Q4. The paper will consider both prudential and market conduct risks. For more information contact Joe Perry at joe.perry@bis.org.

Application Paper on artificial intelligence

As part of its efforts to develop the AI Application Paper, the IAIS hosted two meetings to gather input. The first meeting focused on market conduct issues and heard from consumer representatives about the risks they foresee with increased use of AI. Consumer groups flagged concerns about the impact of AI on availability of cover, bias and discrimination and redress.

A separate meeting considered prudential and governance risks, including the role of boards and senior management, model risk governance and collection of supervisory data.

If members would like more information, they can contact the Secretariat for recordings. Stakeholders are welcome to submit any views on the use of AI in the insurance sector.

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 | Virtual | 5 June

At its call on 5 June, the FinTech Forum agreed to take forward work to collect supervisory experiences on what makes SupTech projects successful and how authorities are looking to embed digitalisation in their

supervisory processes. The Forum will discuss results from a member survey at its meeting in September.

The Forum also agreed to analyse the development of the market for underwriting of digital assets. While this is a small part of the market, the Forum would like to understand growth trends and any risks that may be associated with its development.

A tour de table on FinTech developments across different jurisdictions was also held where examples of recent trends in open insurance were discussed.

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

Risk Based Solvency Implementation Forum and Supervisory Forum joint meeting | Basel | 21 June



The Supervisory Forum (SF) and Risk-Based Supervision Implementation Forum (RBSIF) met on 21 June in Basel, where they had insightful discussions and in-depth exchange of supervisory practices.

The SF meeting started with a tour-de-table on recent supervisory topics and future priorities, followed by a panel on SupTech. This discussion, featured members

from the SF, FinTech Forum and emerging market and developing economy (EMDE) jurisdictions. They explored the current work of the FinTech Forum as well as SupTech integration into supervisory processes and the application of SupTech tools.

In parallel, the RBSIF held a discussion on the International Financial Reporting Standards (IFRS) 17, looking at the changes introduced by the standard and the global status of implementation. The RBSIF drew parallels between the IAIS' work in supporting transition to risk-based solvency regimes and challenges and lessons learned from implementation of IFRS 17 in EMDEs.

A key highlight of the meetings was the joint session between SF and RBSIF, focusing on the transition to risk-based supervision. This session provided valuable insights into the implementation of risk-based supervision, supervisory tools and processes, and the role of supervisory coordination and cooperation. The meeting concluded with a discussion on future RBSIF work.

The day also marked the heartfelt farewell to SF Chair, Kathleen Birrane who will be stepping down from her role as Maryland Insurance Commissioner.

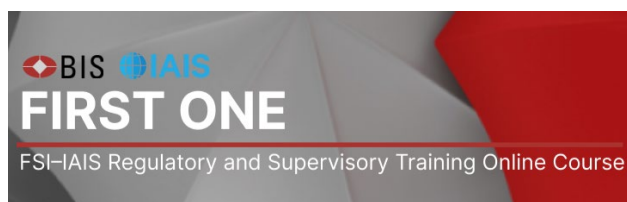
For more information on the SF contact Guillaume Scheffler at guillaume.scheffler@bis.org.

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

Capacity Building

UPCOMING

FSI-IAIS FIRST ONE Course | Virtual | 22 Aug - 7 Nov



The 10th edition of the IAIS-FSI Regulatory and Supervisory Training (FIRST ONE) Online Course will run from 22 August to 7 November. Designed as a combination of FSI Connect self-study tutorials and live

webinars, this online course is aimed at entry-level supervisors and experienced professionals who are new to insurance supervision.

The FIRST ONE curriculum builds on IAIS supervisory material, including the Insurance Core Principles, and addresses fundamental insurance concepts and the building blocks of insurance supervision, covering both the prudential and conduct aspects, and considering emerging risks. The course also provides an overview of the IAIS' framework of supervisory standards and practices, namely 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 insurance sector.

All IAIS members have been invited to nominate up to five staff members to join the course. Kindly complete the registration by 31 July 2024.

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

Meet our Staff

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

Secretariat profile



Name: Aurélien Cosma

Current role: Senior Policy Advisor – Capital and Solvency

Time with the IAIS: since December 2017

Last employer: Banque de France (ACPR)

Favourite pastimes: chess, classical music, foreign languages and hiking

Aurélien joined the IAIS Secretariat in December 2017 as Senior Policy Advisor within the Capital and Solvency team. He has primarily supported the development of the Insurance Capital Standard (ICS), starting with the late field testing phase and carrying through the five-year of monitoring. In addition to his work on the treatment of investments in infrastructure, Aurélien has supported the Capital, Solvency and Field Testing Working Group (CSFWG) to finalise the ICS for adoption at the end of this year.

Aurélien joined the IAIS from the ACPR (French supervisory and resolution authority), where he was responsible for insurance policymaking before moving to frontline supervision of “bancassurance” groups. Between 2012 and 2016 he was involved in IAIS working groups as a member representative for ACPR – already contributing actively to the initial developments of the ICS. Before his time at ACPR, Aurélien worked as an actuary in the life and health insurance industry.

Aurélien is a member of the French Institute of Actuaries. He holds a Master of Science in Mathematics (University of Grenoble), and a PhD in Financial Science (University of Lyon).

Read more about Aurélien on [LinkedIn](#).

Appointments

The Executive Committee (ExCo) has recently appointed **Gita Salden** (DNB, the Netherlands) to the double-hatter ExCo seat formerly held by Armand Schouten.

Committee and Subcommittee Activities

Committee Activities

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) met on 18 June in Basel where they discussed:

- The Secretariat management team's assessment of forward-looking risks;
- Outcomes of the periodic assessments of project-based risks;
- Progress on various IT-related initiatives;
- The implementation of the IAIS conflict of interest policy;
- Policies and tools supporting travel safety and crisis preparedness in relation to IAIS meetings and events; and
- Outcomes of the 2023 external audit.

The next meeting of the ARC will take place on 2 December in Cape Town, South Africa.

Secretariat support: ruby.garg@bis.org and aurelie.landauerostermann@bis.org

BUDGET COMMITTEE

The Budget Committee (BC) met on 18 June in Basel, Switzerland. The discussions included the following:

- Update from the South African hosts of the 2024 Annual Conference in Cape Town.
- Update from the Albanian host on the preparations for the 2025 Annual Conference, in Tirana;
- Update on the external audit of 2023 year-end financial statements; and
- A discussion on the 2024 budget execution.

The BC will next meet virtually on 24 October.

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

EXECUTIVE COMMITTEE

The Executive Committee (ExCo) met in Basel on 20 June. Alongside reports from the Chairs of the IAIS parent committees, Climate Risk Steering Group

(CRSG), Insurance Capital Standard (ICS) and Comparability Task Force (ICSTF) and FinTech Champion, the ExCo agenda included:

- Approval of the draft audited 2023 financial statements;
- Approval of the draft Application Paper on fair treatment of diverse consumers for public consultation;
- Discussion of the way forward on the ICS implementation;
- Update on progress with the AM comparability assessment;
- Approval of the scope of the Global Monitoring Exercise (GME) 2024 scope of collective discussion;
- Overview of the impact of the implementation of IFRS 9 and 17 on the GME;
- Approval of the draft outline of the IAIS report to FSB SRC on the outcomes of the Holistic Framework;
- An update on the Issues Paper on structural shifts in the life insurance sector;
- Approval of the Global Insurance Market Report (GIMAR) 2024 mid-year summary for publication;
- Approval of the 2025-2029 Strategic Plan and Financial Outlook (SPFO);
- Approval of the proposal on meeting and event planning under the 2025-2029 SPFO;
- Discussion on the preparations for the ExCo strategic retreat in September; and
- Update on preparation for the 2024 Annual General Meeting of Members (AGM) and Annual Conference.

The ExCo will next meet in Washington DC on 19-20 September.

Secretariat support: jo-ann.ferreira@bis.org and zoe.smoke@bis.org

IMPLEMENTATION AND ASSESSMENT COMMITTEE

The Implementation and Assessment Committee (IAC) met in Basel on 19 June to discuss:

- A report from the Chair of the Standards Assessment Working Group;
- Further strategic considerations on implementation assessment activities;
- Endorsement of the draft Application Paper on fair treatment of diverse consumers;
- Update on the work on climate risk related consultations by the CRSG;
- Update on the work on the draft objectives for insurance sector operational resilience by the Operational Resilience Working Group (ORWG);
- Progress on the Application Paper on regulation and supervision supporting inclusive insurance markets;
- Approach to outlining potential future IAIS work on protection gaps;
- Update on the A2ii sustainability plan;
- An A2ii project concept for supporting inclusive insurance; and
- A presentation on projects and activities from the Asian Development Bank.

The next IAC meeting will take place virtually on 10 September.

Secretariat support: carlos.lopezmoreira@bis.org and aurelie.landauerostermann@bis.org

MACROPRUDENTIAL COMMITTEE

The Macroprudential Committee (MPC) met in Basel on 18 June. The agenda covered:

- Risk Dashboard of Financial Markets;
- Impact of implementation of IFRS 9, 17 on the GME;
- Scope of 2024 collective discussion: individual insurers and sector-wide themes;
- Update on the Issues Paper on structural shifts in the life insurance sector;
- Mid-year GIMAR 2024 summary;
- Update on the work on level 3 assets indicator;
- Update on the public consultation on ancillary indicators;
- Draft outline of the IAIS report to FSB SRC on the outcomes of the Holistic Framework;
- Update on IAIS input into FSB Vulnerabilities assessments; and
- Report from the Climate Risk Steering Group.

The MPC will hold its next meeting in Washington DC from 18-19 September.

Secretariat support: nicolas.colpaert@bis.org and sylvie.ellet@bis.org

POLICY DEVELOPMENT COMMITTEE

The Policy Development Committee (PDC) met in Basel on 19 June to discuss:

- Endorsement of the draft Application Paper on fair treatment of diverse consumers;
- Discussion on implementation of the ICS;
- Update on the ICS calibration document;
- Update on the work on climate risk-related consultations by the CRSG; and
- Update on the work on the draft objectives for insurance sector operational resilience by the ORWG.

The next PDC meeting will take place virtually on 1 October.

Secretariat support: ayana.ishii@bis.org and can.zhou@bis.org

Subcommittees Activities

CLIMATE RISK STEERING GROUP

The Climate Risk Steering Group (CRSG) met virtually on 4 June to:

- Discuss the updated draft materials for the fourth climate risk consultation package planned to be published in July. The package 4 consultation material will cover issues related to supervisory review and reporting, public disclosure, macroprudential supervision and supervisory cooperation;
- Discuss the timelines for the publication of the Climate Risk Application Paper, which will incorporate the materials from all four climate risk consultations;
- Receive an update on the ongoing work to analyse climate risk data from the GME, which will form the basis of the climate risk chapter in this year's GIMAR publication; and
- Receive an update on the climate-related items considered in the 2025-2029 Strategic Plan.

The scenario analysis workstream also received an update from [Climate Interactive](#) about the use of their En-Roads climate tool. The workstream looks at practical tools supervisors can use to run climate-

related scenario analysis. In July, the workstream will receive updates on scenario analysis for litigation and compound risks. Members who would like to watch the webinar or to join the working group should contact the Secretariat.

Secretariat support: miroslav.petkov@bis.org

MACROPRUDENTIAL MONITORING WORKING GROUP

The Macroprudential Monitoring Working Group (MMWG) met virtually on 5 June. The agenda covered:

- GME timeline;
- Impact of implementation of IFRS 9, 17 on the GME;
- Scope of 2024 collective discussion amongst supervisors for both individual insurers and sector-wide themes;
- Mid-year GIMAR 2024 summary;
- Update on the work on level 3 assets indicator;
- Update on the public consultation on ancillary indicators; and
- Update on IAIS input into FSB vulnerabilities assessment.

The MMWG will hold its next meeting virtually on 18 July.

Secretariat support: nicolas.colpaert@bis.org

MACROPRUDENTIAL SUPERVISION WORKING GROUP

The Macroprudential Supervision Working Group (MSWG) met virtually on 6 June to update on the planned Issues Paper on structural shifts in the life insurance sector and review the feedback loop on questions for the GME macroprudential themes.

The next MSWG meeting will take place virtually on 3 September.

Secretariat support: fabian.garavito@bis.org and inwook.hwang@bis.org

PROTECTION GAPS TASK FORCE

The Protection Gaps Task Force (PGTF) met on 3 June to progress the development of its proposal for future IAIS work on protection gaps. This work will be presented to the IAIS ExCo at its September strategic retreat.

The next PGTF meeting will take place virtually on 5 September.

Secretariat support: alistair.gough@bis.org

STRATEGIC PLAN AND FINANCIAL OUTLOOK TASK FORCE

The Strategic Plan and Financial Outlook Task Force (SPFOTF) met virtually on 5 June. During the meeting, the SPFOTF endorsed the draft 2025-2029 SPFO to be presented to the IAIS ExCo for approval.

Secretariat support: alistair.gough@bis.org

Calendar of meetings and events

The following groups are scheduled to meet between July and September 2024.
For the full IAIS calendar, visit our [website](#).

Date	Group	Location
July 2024		
1	Standards Assessment Working Group	Virtual
2	Retirement Income and Pensions Forum	Virtual
9-11	2024 IAIS Global Seminar	Virtual
16	Macroprudential Monitoring Working Group	Virtual
22-23	Financial Inclusion Forum/Inclusive insurance innovation Lab	Frankfurt, Germany
August 2024		
22	Risk Based Solvency Implementation Forum	Virtual
27-29	Capital, Solvency and Field Testing Working Group	Basel
29	Global Monitoring Exercise Roundtable	Virtual
September 2024		
3	Climate Risk Steering Group	Virtual
3	Insurance Capital Standard and Comparability Task Force	Virtual
3	Macroprudential Supervision Working Group	Virtual
3-4	FSI-IAIS policy implementation meeting (supervisors only)	Basel
4	Financial Crime Forum	Virtual
4	FinTech Forum	Basel
4-5	Accounting and Auditing Working Group	Zurich, Switzerland
5	Macroprudential Monitoring Working Group	Virtual
5	Protection Gaps Task Force	Virtual
10-11	Governance Working Group	Quebec, Canada
11-12	Resolution Working Group	Basel
18	Macroprudential Committee collective discussion	Washington DC, USA
19	Insurance Capital Standard and Comparability Task Force	Washington DC, USA
19-20	Executive Committee Retreat	Washington DC, USA
30 Sept-2 Oct	Capital, Solvency and Field Testing Working Group	Basel

For more information or to subscribe or unsubscribe to the newsletter and e-mail alerts, please visit www.iaisweb.org.

Comments and suggestions are always welcome. ©International Association of Insurance Supervisors 2024

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 tutorial suite Policyholder Protection Schemes has been updated to reflect the recent IAIS Issues Paper on roles and functioning of policyholder protection schemes.

FSI Connect turns 20!

This year marks the 20th anniversary of FSI Connect. This e-learning platform has been a significant achievement in the FSI's objective of assisting supervisors in improving and strengthening their financial systems and showcasing the FSI's commitment to incorporating cutting-edge technology into their services.

Join us in celebrating this milestone by visiting the [virtual pavilion](#) where you can watch commemorative videos, including a contribution from IAIS Secretary General Jonathan Dixon, and take a quiz to find out how much you know about FSI Connect!

Read the IAIS article [above](#).

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](#)

Public trainings

- [Supervision of climate-related risks in the insurance sector](#)
- [Applying a gender lens to inclusive insurance](#)
- [How to conduct a rapid gender diversity assessment](#)
- [Index Insurance Training for All Stakeholders](#)

For supervisors: join [Connect.A2ii](#) – our learning platform restricted to supervisors, offering free and certified courses and an opportunity to learn from peers.

News

BOLIVIA CASE STUDY



In August 2022, the **Bolivian Pension and Insurance Supervisory and Control Authority (APS)** launched an [Inclusive Insurance Regulatory Framework](#) aimed at increasing access to insurance products for low-income populations. A2ii is excited to announce a [new case study](#) that examines the background, objectives, and outcomes of the Bolivian action plan that has led to the new regulation.

The journey began with Bolivia's participation in the A2ii-IAIS-Toronto Centre Inclusive Insurance Training in 2019. The regulation, developed over the course of several years, faced political challenges and a global pandemic and was a direct result of the action plan drawn up by the participants from the APS during the training, subsequently supported by the A2ii and the Toronto Centre until its launch.

After the regulation was launched and implemented in 2022, A2ii interviewed key stakeholders to learn about their experiences and perspectives in the regulatory process. These experiences are showcased throughout the case study, to serve as an example and an incentive for other insurance supervisors in their journey to inclusive insurance.

[Click here to read this case study.](#)

SCHOLARSHIP OPPORTUNITY



The A2ii is offering one full scholarship for an insurance supervisor for the International Labour Organization's Impact Insurance Academy, which will take place from 30 September to 4 October 2024 in Turin, Italy. The scholarship will cover the tuition, accommodation and meal costs and will be awarded through a competitive application process. The deadline is 19 July 2024 – [find out more here](#).

A2II SUPPORTS THE GENERAL SUPERINTENDENCY OF INSURANCE OF COSTA RICA (SUGESE) AS PART OF THE GLOBAL SHIELD AGAINST CLIMATE RISKS



In a world increasingly affected by the ravages of climate change, the need for robust financial protection against its adverse impacts has never been more urgent. Recognising this

imperative, the **A2ii** and the **IAIS** are supporting the **SUGESE** to foster inclusive insurance markets. These efforts will also feed into Costa Rica's broader work on scaling up financial protection with the [Global Shield against Climate Risks](#).

[Read more.](#)

Recent Events

SUB-SAHARAN AFRICA REGIONAL SEMINAR | 27-31 MAY

The Sub-Saharan Africa Regional Seminar, themed "*Addressing the Gaps for a Sustainable, Inclusive, and Resilient Insurance Industry*," was organised by the **Namibian Financial Institutions Supervisory Authority (NAMFISA)** in partnership with the **IAIS**, the **FSI**, and the **A2ii**.

Taking place from 27 to 31 May in Windhoek, Namibia, the event served as a forum for supervisors, industry experts, and policymakers to share regional insights and experiences on a variety

of topics, such as protection gaps, climate resilience, financial inclusion, digital innovation, capacity building and market conduct.

The seminar was divided into two main segments: the first three days were dedicated to closed-door sessions exclusively for supervisors focusing on in-depth discussions and regional supervisory priorities. The final two days were open to industry participants and other relevant stakeholders, promoting broader participation and engagement. Participants engaged through various formats, including panel discussions, interactive workshops, and case studies. Over 60 supervisors and 40 stakeholders attended, contributing to a lively and comprehensive dialogue.

The A2ii was honoured to contribute to eight sessions. The A2ii's contributions included a presentation on inclusive insurance, leading a roundtable discussion on "Inclusive Insurance: Effective Regulatory Measures to Cultivate a Supportive Environment for Inclusive Insurance," and facilitating a plenary session on "Climate Change: Supervision of Climate-Related Risks in the Insurance Sector - the Learning Journey." Additionally, A2ii conducted sessions on capacity building, covering topics such as the [FeMa-Meter](#), the [Insurance Core Principles Self-Assessment Tool \(ICP SAT\)](#), and leveraging actuarial skills. Lastly, A2ii participated in a panel discussion on "Closing the Supervisory Gaps to Expand Access to Affordable Insurance Products."



Blog

HOW TO INSURE UNQUALIFIED OR UNINTERESTED CUSTOMERS? ASK INSURANCE SUPERVISORS IN BELIZE AND GHANA

In a recent event bringing together alumni from Women's World Banking's Leadership and Diversity Program for Regulators (LDR), forward-thinking government institutions shared how they are approaching inclusive insurance. The session was sponsored and co-hosted by the Centre of Excellence on Gender-Smart Solutions, an initiative under the **Global Shield** and **A2ii**.

Amongst the attendees, the Office of the Supervisor of Insurance and Private Pension, Belize, and the National Insurance Commission, Ghana, are thinking differently about insurance for low-income and unqualified customers. [Read more.](#)

FeMa-Meter Tool



Globally, women constitute the majority of the uninsured population and are underrepresented in insurance policymaking and supervision, which exacerbates their access challenges. To address these issues, A2ii launched the FeMa-Meter on 8 March.

This toolkit collects and reviews sex-disaggregated data to analyse gender differences in insurance indicators. Piloted in Argentina, Lesotho, Pakistan, and Zambia, it has proven to be an effective tool for collecting sex-disaggregated data.

With an intuitive interface, users can input data and generate insights swiftly. To access the FeMa-Meter, visit its [dedicated website](#) and its accompanying [training module](#). Join us in advancing gender equality and improving insurance access through data-driven approaches.

Index Insurance Training



Learn about index insurance in our free training and obtain the A2ii-UNCDF Certificate on Index Insurance for Supervisors. Exclusively designed for insurance supervisors, this certification offers comprehensive insights into index insurance mechanisms. Ready to take the next step? Enrol now on A2ii's learning platform, [Connect.A2ii](#).

For all other stakeholders not in supervisory roles, access our open version of the training on our [website](#).

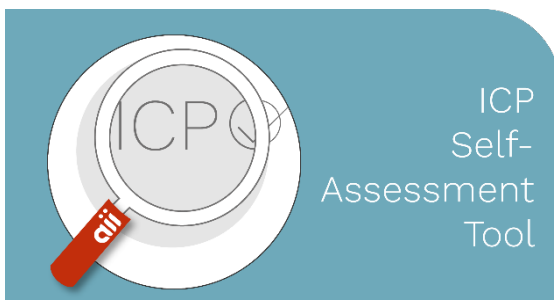
respond to these questions based on their assessment of their jurisdiction's practices and policies.

3. Upon completing a questionnaire, supervisors receive immediate feedback. These results offer insights into the level of observance of the assessed ICP, enabling supervisors to identify strengths, weaknesses, and areas for improvement.

We encourage all supervisors to explore this resource.

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

Insurance Core Principles Self-Assessment Tool



Have you tried the SAT tool yet? The Insurance Core Principles (ICPs) Self-Assessment Tool is a joint initiative of the IAIS and the A2ii designed to assess the level of observance of the ICPs. Leveraging the analytical framework of the Peer Review Process, it empowers supervisors to evaluate adherence to the ICPs.

How it works:

1. Supervisors can access the tool through its [dedicated platform](#). Once on the platform, they can navigate through a series of questionnaires tailored to each ICP.
2. The questionnaires are crafted to cover various aspects of each principle. Supervisors can

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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