



## **IAIS Processes for Policy Development and Implementation Review**

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions in nearly 140 countries.

Established in 1994, the IAIS is the international standard-setting body responsible for developing and assisting in the implementation of principles, standards and other supporting material for the supervision of the insurance sector. The IAIS also provides a forum for Members and stakeholders to share experiences and understanding of insurance supervision and insurance markets. The IAIS is routinely called upon by the G20 leaders and other international bodies who value the collective expertise of its Members.

### **I. The IAIS' mission**

The mission of the IAIS – as set forth in its [By-Laws](#) – 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.

Pursuant to its [By-Laws](#) and in furtherance of its mission, the IAIS is specifically committed to:

- (a) develop principles, standards and guidance for the supervision of insurance markets;
- (b) support the implementation and practical application of its principles and standards;
- (c) develop methodologies for the assessment of the observance of its principles and standards, and facilitate assessment processes;
- (d) encourage broader contacts and co-operation amongst insurance and other supervisors and facilitate mutual assistance, education and training on insurance supervision and the exchange of supervisory information;
- (e) engender awareness of common interests and concerns amongst insurance and other supervisors and identify potential risks that may affect insurance supervision;
- (f) liaise and co-operate with other international organisations, particularly those involved in issues of financial markets supervision and promotion of financial growth, stability and integrity; and
- (g) represent a body of informed opinion within the field of insurance supervision and, where appropriate, communicate such views, ideas and experience to third parties.

### **II. The General Meeting**

The General Meeting is the highest organ of the IAIS. As stated in the [By-Laws](#), it consists of every IAIS Member and may, by a two-thirds majority of Members casting a vote, decide:

- (a) to amend the By-Laws;
- (b) on the location of the offices of the Association;
- (c) to adopt principles, standards, and guidance developed by the Association or other persons or entities not already adopted by the Executive Committee under Article 14(6)(f); and
- (d) to dissolve the Association.

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The [By-Laws](#) also allow the General Meeting, by a simple majority of Members casting a vote, to:

- (a) decide upon the manner in which a General Meeting conducts its affairs;
- (b) approve, defer consideration of, or reject applications for participation in the Association;
- (c) cancel an entity's status as a Member;
- (d) elect members of the Executive Committee;
- (e) approve the annual budget and fees to be paid by Members and business plan of the Association;
- (f) appoint an independent auditor for the Association;
- (g) approve the audited financial statements and the annual report of the Association, and release members of the Executive Committee from their responsibilities in respect of the past financial year; and
- (h) decide on any other matter governing the business and affairs of the Association.

### **III. The IAIS Committee system**

Under the direction of its Members and led by an Executive Committee whose members come from different regions of the world, the IAIS conducts activities through a committee system. To achieve its mandate and objectives, the Executive Committee established five Committees under the [By-Laws](#) – the Audit and Risk, Budget, Financial Stability, Implementation, and Technical Committees – as well as the Supervisory Forum. Committees may establish Subcommittees to help carry out their duties. A current [organigram](#) can be found on the IAIS website.

### **IV. Three pillars of IAIS activities**

Activities undertaken in furtherance of the IAIS' mission can be divided into three categories:

1. *Standard setting.* The IAIS develops supervisory material ([principles, standards and guidance](#)) for effective insurance supervision. The IAIS also prepares supporting papers (such as [Issues Papers](#) and [Application Papers](#)) that provide background on specific areas of interest to insurance supervisors and is developing a [Common Framework](#) for the Supervision of Internationally Active Insurance Groups.
2. *Implementation.* The IAIS supports implementation of its supervisory material. The IAIS also conducts assessments and peer reviews of Members' observance of supervisory material, which results in detailed assessments of observance for participating supervisory authorities and provides critical feedback to standard setting activities. In addition, the IAIS develops training material and supports training seminars and conferences, working closely with international organisations, training institutes, technical assistance providers, regional groups and supervisors. The IAIS also supports supervisory cooperation and information exchange, and maintains a significant programme in support of financial inclusion through its partner, the Access to Insurance Initiative (A2ii).
3. *Financial stability.* The IAIS plays a central role in [financial stability issues](#), including developing a methodology for the identification of global systemically important insurers (G-SIIs) and policy measures to address systemic risk in G-SIIs. It also assists its Members in developing enhanced macroprudential surveillance tools.

Annual activities undertaken in each of these areas are described in the IAIS' [Annual Report](#).

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## **V. Global coordination**

As outlined in each [Annual Report](#), 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 IFRS Advisory Council of the International Accounting Standards Board (IASB) and founding partner in the Access to Insurance Initiative (A2ii).

The IAIS also participates as an observer or partner with numerous other organisations, including the Arab Forum of Insurance Regulatory Commissions (AFIRC), Asian Development Bank (ADB), ASEAN Insurance Training and Research Institute (AITRI), Asian Forum of Insurance Regulators (AFIR), Association of Latin American Insurance Supervisors (ASSAL), CESEE Insurance Supervision Initiative (CESSE ISI), Caribbean Association of Insurance Regulators (CAIR), Consultative Group to Assist the Poor (CGAP), Committee of Insurance Supervisors and Non-Banking Authorities (CISNA), East African Insurance Supervisors Association (EAISA), Financial Action Task Force (FATF), Financial Stability Institute (FSI), Global Partnership for Financial Inclusion (GPFI), Group of International Insurance Centre Supervisors (GIICS), International Actuarial Association (IAA), IMF, International Organisation of Pension Supervisors (IOPS), Islamic Financial Services Board (IFSB), Microinsurance Network, Organisation for Economic Cooperation and Development (OECD), Toronto Centre and World Bank.

## **VI. Strategic Objectives**

The IAIS is a strategy-focused organisation governed by its mission statement and guided by a five-year strategic plan. In October 2014, the IAIS adopted a new Strategic Plan and Financial Outlook for the years 2015-19. Pursuant to this plan, the IAIS committed to pursue seven High Level Goals and numerous corresponding Strategies. The High Level Goals reflect the aims or goals to be achieved by the end of the term of the new Strategic Plan. The Strategies provide the ways in which the IAIS plans to achieve the High Level Goals, with a Roadmap adopted each year that builds on the Strategies by providing a more detailed level of planning. A document containing the High Level Goals and Strategies is available on the [About the IAIS](#) section of the IAIS website.

Pursuant to the IAIS By-Laws, Members commit to pursue the mission of the Association and implement IAIS supervisory material taking into account specific market circumstances.

## **VII. Stakeholder engagement**

Pursuant to its By-Laws, the IAIS is committed to operate in an open and transparent manner setting an appropriate example of transparency, administrative due process and governance, while maintaining the ability for supervisors to exchange information in confidence. The IAIS is also committed to consult publicly and make its consultation procedures transparent in the development of the Association's supervisory and supporting material.

The IAIS has a formal Policy for Consultation of Stakeholders that is available on the [Policies and Procedures](#) section of the IAIS website.

## VIII. Implementation Reviews

Pursuant to the IAIS [By-Laws](#), Members commit to undergo periodic self-assessments and peer reviews. In 2012, the IAIS developed a formal Self-Assessment and Peer Review (SAPR) programme, following the 2011 revisions to the ICPs, in order to provide Members with a confidential assessment of their observance of each standard in the assessed ICPs. This voluntary program is conducted by grouping the ICPs thematically, where possible.

The SAPR itself is a multistep process. A questionnaire is first developed by an external specialist with extensive experience in conducting similar assessments (e.g. Review of Standards and Codes, Financial Sector Assessment Programme (FSAP)). Questions are prepared with regard to each Standard of each ICP that is part of the thematic topic.

An Expert Team, comprised of senior supervisors and representatives from the World Bank or International Monetary Fund, refines the questionnaire. Once finalised, the Questionnaire is circulated to all IAIS Members for response. The Expert Team then assesses the responses and assigns a rating of *observed*, *largely observed*, *partly observed*, *not observed* or *not applicable* for each Standard and each ICP. These assessments are conducted in a manner consistent with the [assessment methodology](#) contained in the introductory paragraphs of the 2011 ICPs.

Each participating supervisory authority receives a confidential individual jurisdiction report with a detailed assessment of each ICP and Standard, along with an elaboration of impediments to observance where relevant.

In addition to providing detailed individual jurisdiction reports on observance for each standard assessed, a public aggregate report is prepared as part of each SAPR. The aggregate report delivers a global and regional picture of implementation of the ICPs assessed. The report is also a key component of the feedback loop between the IAIS' standard setting and implementation activities.