Strategic Plan and Financial Outlook 2020-2024
Progress Update

26 July 2018
Overview

1. Milestones to date
2. Themes emerging from input stage
3. Key messages
4. Direction of travel on next SPFO
5. High-level next steps
1. Milestones to date

- Kuala Lumpur (Nov 2017): Timelines and sequencing of work agreed
- December 2017 to February 2018: Stakeholder input sought
- Nashville (Jan 2018): ExCo STEEP and “Blue Sky” exercises
- Secretariat STEEP and “Blue Sky” exercises and desktop review of Member and SSB developments
- Frankfurt (May 2018): first meeting of SPFOTF
- Conference call (June 2018): second TF meeting – on draft HLGs and Strategies
- London (July 2018): third TF meeting – refine draft HLGs and Strategies for ExCo review and provide steers to inform development of Financial Outlook
2. Themes Emerging from Input Stage

• Insurance markets are evolving quickly
• A number of emerging(ed) policy issues are impacting insurance and insurance supervision in a substantive way
• Finalisation of agreed reforms is critically important
• Supporting good supervisory practices
• Engaging with emerging markets and developing economies (EMDEs)
• Focusing on conduct and culture
3. Key Messages

- More stability in the IAIS standards and a pivot to an increased focus on support for good supervisory practices and the implementation of agreed standards

- The finalisation of the IAIS’ current commitments to the post-crisis reform agenda remains the priority, but increasingly also a focus on a range of emerging(ed) issues (eg FinTech, cyber, climate risk) that present opportunities, challenges and risks relevant to our Mission

- Capacity building is key to helping ensure supervisory systems keep pace with rapid market growth in EMDEs

- A holistic approach to prudential and market conduct supervision is called for – many risks to policyholder protection from the key trends and developments relate to the fair treatment of customers, but this in turn has financial soundness and stability implication

- Proportionate supervision can help support insurance market development and the role of insurance in resilience and sustainable economic development

- Delivery will require a change in how we work and communicate to be more agile and responsive
4. Direction of travel on next SPFO

I. Assess global market trends and developments in, or relevant to, the insurance sector and responds to issues that present opportunities, challenges and risks relevant to our mission

II. Set and maintain globally recognised standards for insurance supervision that are effective and proportionate

III. Support Members by sharing good supervisory practices and facilitating understanding of supervisory issues

IV. Assess and promote observance of IAIS supervisory material

V. Operate effectively, efficiently and transparently in delivering our mission and in communicating with stakeholders
5. Direction of travel: strategy on a page

Each HLG contributes to delivering our Mission to:

promote effective and globally consistent regulation and 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

I. Assessing and responding to market developments (previous HLG 1 & 3)

II. Standard setting (previous HLG 2)

III. Supervisory practices (previous HLG 4)

IV. Observance of standards (previous HLG 5)

V. Effective operations and transparency (previous HLG 6 & 7)

Key: blue lines show the progression between HLGs, whilst white lines relate to feedback loops. These interactions do not reflect governance or decision-making processes.
6. High-level next steps

- **Strategic Plan:**
  - Member feedback by written procedure during August
  - Following comments, further development with the aim to present draft to November AGM

- **Financial Outlook:**
  - Following consideration of draft Strategic Plan, Financial Outlook will be prepared for consultation with Members in Q1 2019