

Newsletter

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Calendar Notes

11-13 November	Parent committee meetings (Abu Dhabi)
14 November	Annual General Meeting (Abu Dhabi)
14-15 November	Annual Conference (Abu Dhabi)

From the Secretary General

While much of our current focus is on finalising key aspects of our post-crisis reforms leading up to our Committee Meetings and Annual Conference in Abu Dhabi, at the same time we continue to look to the horizon by expanding our efforts to respond proactively to emerging trends,



fundamentally shifting the landscape of the insurance sector.

This was evidenced in a recent collaboration between the IAIS and the FSB's Financial Innovation Network at a workshop on Data and innovation - Opportunities and risks for the insurance sector, hosted by the UK's Prudential Regulation Authority in London. Speakers provided critical insights, reflecting a mix of industry, supervisory and academic perspectives on the implications of new and big data, Artificial Intelligence and Machine Learning for insurers, consumers and society at large. Discussions also centred on risks and opportunities posed by evolving business models, third party outsourcing and cloud service providers, and the impact of BigTech companies on the financial sector.

These trends will be explored further at our Annual Conference, which represents a refreshed approach to IAIS events in line with the thematic vision of our 2020-2024 Strategic Plan. The theme of the Annual Conference is Supervision in a Digital Era. An excellent line-up of speakers will explore supervisory implications of issues such as data and innovation, sustainable cyber resilience, digital financial inclusion and changing market structures.

I look forward to celebrating our milestone 25th year in Abu Dhabi, where we will also share some of our exciting initiatives planned for 2020 and beyond.

Jonathan Dixon, Secretary General



For more information or to subscribe to the newsletter and e-mail alerts, please visit www.iaisweb.org. Comments and suggestions are always welcome.

In Focus...**The IAIS completes its First Assessment under the new Peer Review Process**

In support of its Mission, the IAIS identifies implementation of the IAIS Insurance Core Principles (ICPs) by insurance supervisors as one of its strategic priorities. This priority was reaffirmed in the new 2020-2024 Strategic Plan and Financial Outlook (SPFO) approved by IAIS

Members in the first half of 2019.

Since 2012, the IAIS' primary assessment tool was the Self-Assessment and Peer Review (SAPR). In October 2014, the IAIS changed its By-laws. Amongst the changes, the amended By-laws state that IAIS Members commit to "undergo periodic Self-Assessments and Peer Reviews" (Article 6 (6) (c)). Nearly 130 IAIS Members have participated in a SAPR. On average, 70 IAIS Members participated in each assessment, representing all IAIS Regions and economic/insurance market development stages.

In January 2017, the IAIS' Executive Committee (ExCo) asked a small group of ExCo members and Implementation Committee members to prepare recommendations on how the IAIS' assessment activities could be further strengthened to build off the success of the SAPR process. In June 2017, ExCo approved a proposal to enhance the IAIS' implementation assessment programme, beginning in 2018, with three distinct but complementary assessment processes:

- a strengthened Peer Review Process (PRP), building on the IAIS' successful SAPR;
- enhanced access to means of undertaking self-assessment of observance of the ICPs, with the establishment of a Self-Assessment Tool (SAT), allowing IAIS Members to undertake a self-assessment on demand; and
- a Member Assessment Process (MAP), which provides an on-site comprehensive review of implementation of supervisory material by an IAIS Member.

The objectives for the PRP are to:

- identify and analyse the level of observance of the standards relating to the assessment theme, including a reference to regional and global implementation status;
- assess the effectiveness of implementation of the standards in a consistent and coherent manner;
- identify findings and useful practices that should be communicated to the participating IAIS Members to encourage effective implementation in their supervisory practices; and
- provide input to implementation partners on areas where there are regional or global challenges for ICP implementation.

While the PRP is built upon the previous SAPR process, one of the aims of the PRP is to identify examples of useful practices amongst IAIS Members. Such examples could provide valuable information as to how the ICPs could be implemented in an effective manner.

The first PRP focussed on the thematic topic of the "Mandate for Supervisors and Supervisory Powers", which includes ICPs 1 (Objectives, Powers and Responsibilities of the Supervisor) and 2 (Supervisor). The Expert Team, led by Christina Beerli (FINMA), will present its final report in November. The report will include a synthesis of useful practices for standards where observance can present challenges. At the same time, those practices provide insights on effective implementation of the standards of ICPs 1 and 2 by the IAIS Members who participated in the PRP. Consequently, useful practices may provide further insights to implementation partners on the range of approaches used by supervisors.

Meetings and Events

Upcoming IAIS Meetings: November – December

All of the following IAIS meetings will be held in Basel unless otherwise noted. Members should visit the IAIS website at www.iaisweb.org for more information on a specific meeting and to confirm dates and locations.

Date	Group
11-13 November	Parent committee meetings (Abu Dhabi)
12 November	Insurance Capital Standard Task Force (Abu Dhabi)
14 November	Annual General Meeting (Abu Dhabi)
14-15 November	Annual Conference (Abu Dhabi)
3-4 December	Market Conduct Working Group
3-5 December	Capital , Solvency and Field Testing Working Group (Frankfurt)
4-5 December	Macroprudential Policy and Surveillance Working Group
4-5 December	Governance Working Group
10-12 December	G-SII Analysts Working Group (Austin, Texas)
12-13 December	Financial Crime Task Force
17-18 December	Accounting and Audit Working Group (Tokyo)

Stakeholder Meetings

For information about any planned stakeholder meetings, please visit the Stakeholder Meetings page of the IAIS website by clicking [here](#).

Seminars and Training

Regional seminar and third high-level meeting on global insurance standards and supervisory priorities in the Americas, 14-16 October 2019, San Jose, Costa Rica

The IAIS partnered with ASSAL and the Supertintendencia General de Seguros (SUGESE) of Costa Rica, in collaboration with the Association's implementation partners – the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) and the Access to Insurance Initiative (A2ii) – to design and deliver a High-Level Meeting for Senior Supervisors and a Regional Training Seminar from 14 to 16 October in San Jose, Costa Rica.

The High-Level Meeting brought together 30 senior insurance supervisors from Latin America in order to discuss key risks affecting insurers in the region and different approaches to building insurance industry resilience to these risks. See [FSI's](#) report below.

The regional training seminar brought together over 100 representatives of insurance supervisory authorities, regional industry and financial sector experts from 13 countries. See [A2ii's](#) report below.

AITRI – Toronto Centre Workshop for Supervising Insurance Companies on Fraud & Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), 14-17 October 2019, Manila, Philippines

AITRI, the Toronto Centre and the Insurance Commission of the Philippines, delivered a one-week programme designed to enhance participants' understanding and gain a practical perspective on the Risk Based Approach (RBA) to supervisory activities relating to fraud and AML/CFT. The workshop focused on explaining and discussing key principles, best practices and most recent guidance produced by the IAIS' Financial Action Task Force (FATF), while discussing its applicability through real life examples and case studies. This programme aimed to help regulators and supervisors in the region apply these guidelines in their daily supervisory activities and tackle common implementation challenges.

Committee and Subcommittee Activities

Committee Activities

Budget Committee

The Budget Committee (BC) convened late September to review progress against the 2019 budget and approve the draft 2020 budget and membership fees. The 2020 budget and membership fees are the first to be approved, pursuant to the 2020-2024 SPFO.

The next BC meeting is scheduled for November in Abu Dhabi, at which time the BC plans to review and recommend updates to the IAIS' finance policy.

Secretariat Support: jay.muska@bis.org and joao.carneiro@bis.org

Executive Committee

The Executive Committee (ExCo) met via teleconference on 10 October to agree on feedback to be provided to the FSB SRC on certain operational aspects of the holistic framework for systemic risk in the insurance sector. In addition, ExCo discussed a proposal to conduct a stocktake on supervisory practices in relation to cyber underwriting.

ExCo also met on 23-24 October in London. Agenda items included: a discussion of various documents related to the finalisation of the holistic framework and discussions around issues related to the development of the Insurance Capital Standard (ICS) Version 2.0 for the monitoring period.

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Implementation and Assessment Committee

The Implementation and Assessment Committee met via teleconference on 29 October 2019 to discuss the development, in partnership with the A2ii, of the Self-Assessment Tool for measuring observance of the ICPs.

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Macroprudential Committee

The Macroprudential Committee met via teleconference on 18 October 2019 to discuss various documents related to the finalisation of

the holistic framework for systemic risk in the insurance sector, planned for adoption by the IAIS Annual General Meeting on 14 November 2019, and subsequent publication.

Secretariat Support: andrei.radu@bis.org and hanne.vanvoorden@bis.org

Policy Development Committee

The Policy Development Committee met via teleconference on 21 October to discuss issues related to development of the Insurance Capital Standard (ICS) Version 2.0 for the monitoring period.

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Subcommittee Activities

Accounting and Auditing Working Group

The Accounting and Auditing Working Group (AAWG) met on 23-24 September in Copenhagen, Denmark. The AAWG finalised a comment letter to the International Accounting Standards Board (IASB) on their Exposure Draft on Amendments to IFRS 17 Insurance Contracts. Dialogues were also held with the IASB on IFRS 17 and the IMF/FSI on their IFRS 17 research project. In addition, the AAWG discussed audit quality issues and the work of the Monitoring Group. The AAWG continues to monitor adoption and implementation activities of IFRS 17.

Secretariat Support: jay.muska@bis.org

Capital, Solvency and Field Testing Working Group

The Capital, Solvency and Field Testing Working Group (CSFWG) hosted a Volunteer Workshop on 9 October in Basel to discuss results of 2019 Field Testing. CSFWG then met on 14-17 October in Basel to further discuss

results of 2019 ICS Field Testing and refinements for ICS Version 2.0 for the monitoring period. Data analysis performed from the Aggregation Method additional data collection was also presented.

CSFWG will next meet in Frankfurt from 3-5 December to discuss the monitoring period and the confidential reporting package based on parent committee decisions on ICS Version 2.0 for the monitoring period.

Secretariat Support: romain.paserot@bis.org and danita.pattimore@bis.org

Fintech Forum

The Fintech Forum (FF) met on 21 October in London. The FF discussed developments in Artificial Intelligence (AI) and the use of AI in the insurance sector and related supervisory issues. FF members also visited the Lloyd's innovation lab and Amazon Web Services to gain insights into the use of technology in insurance and the use of cloud services by insurers.

On 22 October in London, the IAIS and FSB organised a joint workshop on “data and innovation – opportunities and risks for the insurance sector”. The workshop addressed: 1. Implications of new and big data, artificial intelligence and machine learning for policyholders and broader society, 2. Innovative business models in insurance, 3. Third-party outsourcing, and 4. Financial stability, regulatory and supervisory issues.

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G-SII Analysts Working Group

Per its mandate, the G-SII Analysts Working Group (GAWG) is responsible for coordinating the annual review of potential Global Systemically Important Insurers (G-SIIs) in accordance with the framework determined by the MPC. The GAWG worked intensively in October to finalise the annual review (ie, 2019 G-SII Data Collection Exercise) and the related supervisory judgment processes.

Secretariat Support: rogier.derksen@bis.org

Standards Assessment Working Group

The Standards Assessment Working Group (SAWG) met in October to further discuss progress made by the A2ii in developing a Self-Assessment Tool (SAT). A “beta” version of the SAT will be launched in November 2019.

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Supervisory Material Review Task Force

The Supervisory Material Review Task Force (SMRTF) met on 1 and 2 October to discuss the outcome of the public consultation on the IAIS Glossary, the draft Assessment Methodology for ComFrame and revisions to the ICP Introduction.

The SMRTF also discussed revisions to other ICPs and ComFrame by other IAIS subcommittees, as well as an overall consistency check of the supervisory material.

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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.

#A2ii10 2 - 3 September, Frankfurt

On 2 and 3 September, the [A2ii's High-Level Forum and Expert Symposium](#) took place in Frankfurt, Germany, marking 10 years of the Access to Insurance Initiative. Over 70 supervisors, development partners and leading experts in inclusive insurance field discussed the regulatory approaches trends, achievements over the past ten years as well as the opportunities and challenges that lie ahead.

In his keynote speech, the IAIS Secretary General, Jonathan Dixon, emphasised that financial inclusion is integral to achieving supervisors' goals of financial stability and consumer protection.

Going forward, the IAIS's new strategic plan will be putting much greater emphasis on implementation and supervisory practices, in particular in the area of digital and financial inclusion. With this, Mr Dixon sees a greater role for the A2ii in the future.



Watch the recording of the conference:

[Welcome address and introduction to the event](#)

- Hannah Grant, Head of A2ii Secretariat, and Peter Braumüller, Chair of the A2ii Governing Council

[Keynote speeches](#) - Jonathan Dixon, IAIS, and Michael Krake, BMZ

[High-level panel: insurance for sustainable development](#)

- Moderator: Victoria Saporta, Bank of England. Panellists: Babak Abbaszadeh, Toronto Centre; Axel Klaphake, GIZ; Tomás Soley Pérez, SUGESE

[Panel II: 10 years of inclusive insurance regulation, achievements and regulatory challenges](#)

- Moderator: Arup Chatterjee, ADB. Introductory presentation: Hui Lin Chiew, A2ii. Panellists: Lorenzo Chan, Pioneer Life and Retail Organisation; Jacky Huma, FSCA; Thomas Wiechers, FSDA

[Interactive session I: interactive dialogue with supervisors](#)

- Moderator: Hennie Bester, CENFRI. Supervisors: Syed Nayyar Hussain, Insurance at Securities and Exchange Commission of Pakistan; Grace Mohamed, NAMFISA, Namibia; Elias Omondi, IRA, Kenya; Maria Augusta de Queiroz Alves, SUSEP, Brazil

[Recognition of A2ii partners and supporters](#) - Hannah Grant and Peter Braumüller

[Recap of day 1 and panel III: impact of insurance regulation](#)

- Hannah Grant provides a summary of the discussions on day 1, panel III

moderator: Craig Thorburn, World Bank.
Panellists: Lau Chin Ching, Bank Negara Malaysia; Craig Churchill, ILO Impact Insurance Facility; Ana Gonzalez-Pelaez, University of Cambridge Institute for Sustainability Leadership

[Plenary session: exploring trends and key challenges in regulating inclusive insurance](#) - Moderator: Denise Garcia, Financial Stability Institute

[Interactive session III: looking ahead – new frontiers in inclusive insurance](#) - Facilitator: Michael McCord, MicroInsurance Centre at Milliman

The A2ii is preparing an outcome document of the conference that will expand on the key messages.

More background information on the event and the first ten years of the A2ii you will find on our [anniversary page](#).

Recent Events

A2ii presents at the IAIS' Standards Assessment Working Group Meeting 10-11 September, Guernsey

A2ii presented the status of the joint A2ii-IAIS project on developing an ICP self-assessment tool at the Standards Assessment Working Group Meeting hosted by the Guernsey Financial Services Commission in September. The ICP self-assessment tool is an online tool for supervisors to self-assess their observance of the IAIS Insurance Core Principles. The A2ii and IAIS Secretariats will be formally launching the website at the IAIS annual conference in Abu Dhabi in November 2019.

A2ii-IAIS Consultation Call on Cyber Risk in the Insurance Sector 26 September

On this call, experts defined what cyber risks and cyber-attacks are and gave examples of the types, costs and implications of cyber threats and attacks on the insurance and

financial sectors. The call also explored regulation and supervision aspects, as well as how insurers can respond to cybersecurity issues. The IAIS Application paper and Issues Paper published on the same theme were drawn upon to present guidelines for supervisors to develop and or strengthen their cyber security. Presenters at the calls were Marcelo Ramella, Deputy Director, Financial Stability at Bermuda Monetary Authority (BMA); Andrea Camargo, technical expert of the A2ii and director of Inspowering; Glory Kasasi, Principal ICT Examiner, Pension and Insurance Supervision from the Reserve Bank of Malawi; Jennifer McAdam, Senior Counsel at the National Association of Insurance Commissioners (NAIC); and Marcelo Adrián Borre from SSN Argentina.

For supervisors who could not attend this call, the presentations and the report will be available [here](#) on the A2ii website.

Argentina, India, Morocco and Rwanda to participate in the second Inclusive Insurance Innovation Lab

The selection process for countries to participate in the second Inclusive Insurance Innovation Lab has come to an end. Following a set of pre-defined selection criteria such as supervisors' demonstrated openness to innovation and the country's potential to act as a catalyst in the region, four countries were selected: Argentina, India, Morocco and Rwanda. The insurance supervisors of the four selected countries are now being supported in putting together their country teams. These teams will consist of representatives from approximately eight institutions, including the insurance supervisors as well as the main supply- and demand-side stakeholders in the participating countries.



The Inclusive Insurance Innovation Lab is scheduled to begin in early 2020 and last for a period of 18 months. Guided by experienced change facilitators, the four country teams will initially explore the barriers to more inclusive insurance markets in their countries. In a second step, the teams will develop innovative solutions that can help develop their insurance markets.

For more information on the Inclusive Insurance Innovation Lab, please click [here](#) or contact mariella.regh@a2ii.org.

**IAIS – ASSAL Regional Seminar for Insurance Supervisors in Latin America
15 – 16 October, San Jose, Costa Rica**

The A2ii Regional Coordinator for Latin America presented before some 110 representatives of insurance supervisory authorities, regional industry and financial sector experts from 13 countries on the topic of Climate and Catastrophic Risks and Agricultural Insurance.

The event was jointly organised by the IAIS and the Latin American Association of Insurance

Supervisors (ASSAL), and was hosted by the Superintendencia General de Seguros (SUGESE).

Upcoming Events

**17th Consultative Forum on Climate and Disaster Risk for insurance supervisory authorities, insurance practitioners and policymakers “Climate and disaster risk: building resilience, bridging the protection gap in Asia”
4 November 2019, Dhaka, Bangladesh**

In 2019, our Consultative Forums explored how insurance providers, policymakers, insurance regulators and supervisors can collaborate to reduce the protection gap and help to build resilience in the face of climate risk and natural disasters.



The 17th Consultative Forum will provide a platform for dialogue between these stakeholders, as well as the opportunity to meet with and learn from colleagues and experts involved in climate change from Asia and other regions.

Key themes:

- Why does the protection gap exist and why does it matter?
- What barriers do actors from both the private and the public sectors need to overcome to build the resilience of vulnerable households and small businesses to climate change?
- Which innovative approaches have been addressing vulnerability to climate change and building resilience to shocks at scale?

- How can sovereign insurance and microinsurance reinforce and not undermine one another?

The Forum is jointly organised by the International Association of Insurance Supervisors (IAIS), the Access to Insurance Initiative (A2ii), the Microinsurance Network (MiN), and the InsuResilience Global Partnership, and hosted by the Bangladesh Insurance Association (BIA) and Munich Re Foundation. It will take place alongside the 15th International Conference on Inclusive Insurance in Dhaka, Bangladesh. Follow [this link](#) to download the Save the Date and the Agenda and to register.

Inclusive Insurance Training Programme for Latin American Supervisors conducted in Spanish
18 November, San Jose, Costa Rica

The Training Program in Inclusive Insurance for Latin American Supervisors is jointly organized by the Superintendencia General de Seguros (SUGESE) of Costa Rica, the Association of Insurance Supervisors of Latin America (ASSAL), the Access to Insurance Initiative (A2ii), the International Association of Insurance Supervisors (IAIS), and the Toronto Centre.

The training is aimed at medium to high-level officials of regulatory and supervisory authorities that participate in the regulation and supervision of microinsurance and inclusive insurance in the Latin American region. For the first time this training will be conducted in Spanish.

For more information and to register, please follow [this link](#).

A2ii – IAIS Consultation Call on Cloud Computing: Regulatory and Supervisory Approaches

28 November – WebEx Webinar

Advancements in digital technologies bring both benefits and challenges to the insurance industry and the financial sector in general. In recent years, the insurance industry is

increasingly adopting cloud computing technology and services to support critical functions such as underwriting and product development, among others. The use of cloud computing also brings risks such as those related to data security and confidentiality and vulnerability of IT systems to cyber-attacks. Its use may therefore require additional supervisory requirements.

During this Consultation Call experts will explore the topic of cloud computing and its implication for supervisors.

For more information on the Call and registration details, [please follow this link](#).

Leadership and Diversity Programme for Regulators: scholarship opportunity by A2ii and InsuResilience Global Partnership Secretariat
30 April – 5 May 2020

The A2ii and the InsuResilience Global Partnership are jointly sponsoring the participation of two senior insurance supervisors and high potential women from their authorities at the Leadership and Diversity Program for Regulators developed by Women's World Banking and faculty from Oxford University's Saïd Business School.

The nine-month experience includes ongoing virtual learning and a week-long intensive at Oxford University's Saïd Business School. [Read more...](#)

Financial Stability Institute



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.

Participants discussed two countries' experience in assessing insurers' resilience to risks affecting their solvency condition by stress testing, analysed different approaches to adjusting prudential frameworks to capture risks impacting insurers' operational resilience, and shared their views on challenges for assessing climate change risks.

Third high-level meeting on global insurance standards and supervisory priorities in the Americas San Jose, Costa Rica, 14 October 2019

Senior insurance supervisors from Latin America met to discuss key risks affecting insurers in the region and different approaches to building insurance industry resilience to these risks.

This meeting brought together over 30 senior officials from insurance authorities to discuss the challenges to building a resilient insurance industry against a background of emerging global risks. The meeting was hosted by the Superintendencia General de Seguros (SUGESE) of Costa Rica and jointly organised by the Latin American Association of Insurance Supervisors (ASSAL), the International Association of Insurance Supervisors (IAIS) and the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS).

Against a global background of ageing populations, environmental and climate change and technological developments, supervisors from the region discussed the challenges to assessing insurers' exposure to risks arising from these trends that may affect their financial condition in the years ahead. It was noted that building a resilient insurance industry requires that supervisors implement regulatory frameworks that capture those risks and facilitate effective and efficient risk management by insurance companies.

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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