

# Newsletter

September 2021

Issue 107



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

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## Calendar Notes

**Mark your calendars** – IAIS [Annual General Meeting \(AGM\) and Annual Conference](#) scheduled for the 3<sup>rd</sup> week of November.

## From the Secretary General

Every September, the Executive Committee (ExCo) comes together to take stock of our Association’s priorities and start planning our work programme for the next two years. Accordingly, just a few days ago, at its annual retreat, ExCo had a focused discussion on IAIS strategic themes, prioritisation of key deliverables and resourcing of the IAIS’ work programme, or “Roadmap”. This discussion forms a critical element of our annual strategic planning cycle.



While the topics covered were not new to us, the retreat provided the opportunity for a deep dive on their strategic importance and priority

focus areas – particularly now as we increasingly shift our attention back to the longer term after having placed enormous, and necessary, focus on supporting effective supervisory responses to Covid-19 over the past 18 months.

## Strategic Themes

The [2020-2024 Strategic Plan](#) identified technological innovation as a key strategic theme for the IAIS in the coming years. It is also one of the trends most accelerated by the impact of the pandemic. Members have consistently confirmed their view of the need to deepen the focus on this area. Discussions covered specific aspects to prioritise in the IAIS’ approach to the digital transformation outcomes (and risks) potentially resulting from FinTech applications for both insurers and supervisors.

The relevance of diversity, equity and inclusion (DE&I) to supervisory objectives, particularly with respect to insurer governance and culture, received beneficial steer from ExCo – in particular, looking at how to embed work on DE&I in the IAIS’ governance structure and activities, and identify synergies with existing work.

ExCo discussions also affirmed the importance of having a continued focus on the market conduct aspects of insurance supervision in the IAIS’ work, particularly the impact of digital transformation.

ExCo members provided helpful steer on options to take forward potential further work on cyber underwriting, building on the 2020 report of the Small Group on Cyber Underwriting (CUSG).

Finally, ExCo discussions on the IAIS’ efforts in assessing and addressing climate risk re-affirmed the need for the Association to build on its ground-breaking work to date, through further integrating the monitoring of climate risk into the IAIS’ annual Global Monitoring Exercise (GME), providing further supervisory tools for



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Comments and suggestions are always welcome.

Members to assess and address these risks (particularly on scenario analysis) and taking stock of any gaps in the IAIS' supervisory material with respect to effective supervisory response to climate risk. In doing so, the Association will continue to coordinate with other standard-setting bodies and international organisations, such as the Sustainable Insurance Forum (SIF), the Network for Greening the Financial System (NGFS) and the Financial Stability Board (FSB) to leverage existing work and maximise coordination and synergies.

At the same time, while progressing these strategic themes, ExCo members reiterated the

importance of continuing the momentum on delivering both the further refinement of the ICS during the remaining four years of the monitoring period and the consistent implementation of the Holistic Framework for systemic risk in the insurance sector.

With this valuable ExCo steer on our strategic themes and work programme, we are on a sound footing to deliver on our commitments and provide continued value to our Members and open engagement with our stakeholders.

Jonathan Dixon, Secretary General

## In Focus...

### **GIMAR publication on the impact of climate change on insurance sector investments**

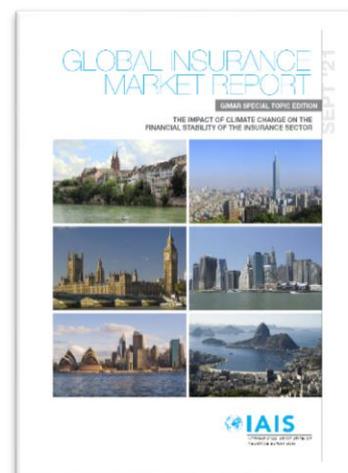
*By Hanne van Voorden, Head of Supervisory Practices and Operations, and Aurélien Cosma and Tomas Stastny, IAIS Senior Policy Advisers*

As part of the IAIS' continued focus on assessing the impact of emerging and emerged trends on the global insurance sector, we are pleased to have published our first quantitative study centred around the impact of climate change on the insurance sector. The publication should pave the way for further IAIS work to deepen the breadth and scope of our contributions to help insurance supervisors address the effects of climate change.

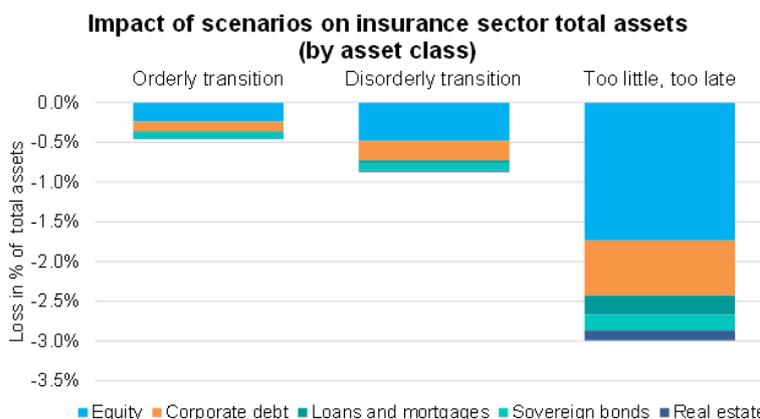
The Global Insurance Market Report (GIMAR) special topic edition was published on 30 September. Climate change will lead to more extreme and frequent weather-related events, increasing the physical risks to which insurers are exposed and affecting insurers' investments and the insurability of policyholder property and operations. Insurers' investments are also impacted by the necessary transition to a net-zero emissions economy, especially if the transition is sudden and disorderly.

For this first quantitative study on climate-related risks, we decided to limit the scope to focus on insurers' investment risks only while acknowledging that to get a holistic view of the risks in the future, we need to complement this with analysis of the impact on insurer underwriting.

The data was gathered through the arrangements put in place as part of the Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector (Holistic Framework), in particular the Global Monitoring Exercise (GME). Drawing on unique quantitative and qualitative information gathered from 32 IAIS Members covering 75% of the global insurance market, analysis was carried out to better understand insurers' asset-side exposures to, as well as supervisors' views on, climate-related risks. The quantitative data



analysis focuses on those asset classes most relevant for insurers: equities, corporate bonds, loans and mortgages, sovereign bonds and real estate. Different approaches were taken for equity, corporate debt and loans and mortgages, compared to sovereign bonds and real estate. The first set was based on a categorisation of economic sectors that are more significantly impacted by a disorderly transition due to their reliance on fossil fuels. The second set was based on a geographic approach, looking at the relevant transition and physical risks at a country level.



In addition, scenarios were developed to assess climate change impact on a forward-looking basis. The scenario analysis was carried out using representative scenarios developed by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) – that defines a set of scenarios, including related to an orderly versus a disorderly transition to internationally agreed climate targets, and a scenario where internationally agreed climate targets are not met at all.

### Main outcomes of the report

The quantitative data analysis shows that more than 35% of equities, corporate bonds, loans and mortgages, sovereign bonds and real estate could be exposed to climate change risks. Within equities, corporate bonds and loans and mortgages, most climate-relevant assets relate to the housing and energy-intensive sectors.

*Scenario analysis assessing the forward-looking impact of climate change shows up to six times higher impact on the insurance sector without orderly transition toward internationally agreed climate targets.*

The forward-looking scenario analysis shows that the magnitude of the impact is highly dependent on the type of climate transition considered. Compared to an orderly transition toward internationally agreed climate targets, a disorderly transition, or a scenario whereby climate targets are not met at all, would have a two to six times greater adverse effect on the insurance sector. Losses on insurers' equities and, to a lesser extent, corporate debt exposures seem to be responsible for the majority of the impact.

### Next steps

As a next step, and building on the lessons learnt from this analysis, the IAIS will continue to improve data availability and analytical tools for monitoring financial stability risks as well as to support the development and sharing of good supervisory practices among IAIS Members. Concretely, we recently established a Climate Risk Steering Group (CRSG) ([see also news update](#)) to progress the IAIS' activities on climate risk. To continue to monitor the climate-related risks faced by the insurance sector, we will consider how to embed climate risk into the regular GME in a more structured manner, in line with data needs and uses. Another strand of work will aim to identify emerging good practices on climate risk scenario analysis. We look forward to working with Members and stakeholders to take this work forward.

To access the full report, please click [here](#).

For more information contact Hanne van Voorden at [hanne.vanvoorden@bis.org](mailto:hanne.vanvoorden@bis.org).

**News  
Updates****IAIS AGM and Annual Conference preview |  
15-18 November 2021**

The IAIS will host its virtual Annual General Meeting (AGM) for Members on 15 November and its Annual Conference, which is open to the public, from 16-18 November.

On the first day of the Annual Conference, the IAIS Executive Committee (ExCo) and Parent Committee Chairs will provide an update on the IAIS' delivery against its [2021-2022 Roadmap](#) and will set out our planned work for the coming year. Following sessions will include a series of panels on: climate risk scenario analysis; addressing the pandemic protection gap; issues around the use of artificial intelligence and machine learning; and a session on the impact of the low-for-long monetary policy environment on the insurance sector. These panels will provide an opportunity to hear from senior regulators and executives on emerging regulatory trends in the insurance sector.

Registration will open for the Annual Conference in October. In the meantime, please block your diaries now to join us for an interesting week of events. During our Annual Conference, you will be able to put your questions directly to members of our ExCo as well as to the expert panellists.

The 2021 virtual IAIS AGM and Annual Conference schedule is as below. (All times are in CET. Panel topics will be communicated when registration opens.)

Monday, 15 Nov	13:00-14:30 (AGM)
Tuesday, 16 Nov	13:00-16:00 (Town Hall and AC panel)
Wednesday, 17 Nov	13:00-14:30 (AC panel)
Thursday, 18 Nov	8:00-9:30 (AC panel)
Thursday, 18 Nov	16:00-17:30 (AC panel)

Once available, further details on the event will be posted on the IAIS website [here](#).

For more information contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

**IAIS Climate Risk Steering Group begins work**

The IAIS is pleased to announce the launch of its Climate Risk Steering Group (CRSG). The CRSG will be responsible for the overall coordination of the IAIS' work on climate risk, a strategic theme of the 2020-2024 Roadmap.

The CRSG will set up dedicated workstreams, as agreed by the Executive Committee, and also coordinate climate work across IAIS committees. In addition, the CRSG will represent the IAIS in relevant international fora and seek input from external stakeholders.

The group is chaired by Daniel Wang from the Monetary Authority of Singapore. Nina Chen from the New York State Department of Financial Services (United States) is the Vice Chair for the group.

The Committee held its inaugural meeting on 30 September.

For more information contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

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**Eurofi: Climate risk and implications for the insurance sector | 8 September**

Vicky Saporta, IAIS ExCo Chair, spoke at the Eurofi Ljubljana Forum, held in hybrid format from 8-10 September. She joined a panel on “Climate and sustainability risks and the implications for the insurance sector”.

In her speech, Vicky set out the importance of governments developing stable long-term climate policy frameworks to provide a solid base from which insurers can assess the climate-related risks to

which they are exposed and manage the necessary transition. She also noted that insurers need to integrate climate risk into ERM and understand the risks on both sides of their balance sheets.

To conclude, Vicky described the next steps of IAIS’ climate work, including a gap analysis of our global standards for insurance supervision to consider whether changes are needed to take into account the growing climate risk, or whether further supervisory guidance is needed. She noted that the IAIS will also look to share examples of effective practices for developing climate risk scenario analysis (also see [the new CRSG](#)).



Click here to view Vicky’s contribution to the [Eurofi’s magazine](#).

For more information contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

**Stakeholder Engagement****Public session on the Application Paper on Macroprudential Supervision | 14 September**

The IAIS on 30 August published the [Application Paper on Macroprudential Supervision](#). The Application Paper provides further guidance on the supervisory material related to macroprudential supervision in Insurance Core Principle (ICP) 24.

The Application Paper and the outcome of the public consultation were presented during a public stakeholder session on 14 September (click [here](#) to view the presentation).

For more information contact Becky Easland at [becky.easland@bis.org](mailto:becky.easland@bis.org).

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**AFIR Annual Meeting | 2 September**

Speaking at the Asian Forum of Insurance Regulators’ (AFIR) Annual Meeting, Romain Paserot set out the IAIS’ Roadmap and highlighted tangible benefits of effective collaboration and cooperation between insurance supervisors globally that was displayed during the pandemic. He noted the significant overlap in the agenda being taken forward by AFIR and the IAIS. He highlighted, in particular, the ongoing work of the IAIS to undertake a stocktake of initiatives underway on the pandemic protection gap and to enable greater understanding and insight into FinTech developments and facilitate timely responses by the IAIS to this evolving landscape. He also spoke of climate risk as a key priority for IAIS work and the importance of pursuing a global approach to address this risk.

For more information contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

## HANFA: Seminar on risk-based supervision in insurance – the way ahead in a post-pandemic world | 2-3 September

The risk-based supervision (RBS) Seminar, organised by the Croatian Financial Services Agency (HANFA) on 2-3 September, attracted more than 70 participants from the Central and Eastern Europe and the Transcaucasian (CEET) region. The event was held in hybrid format, with the live element taking place in Opatija, Croatia. The programme focused on the following areas for discussion: “new normal” after the pandemic; challenges in supervision of insurance conduct, also demonstrating lessons learnt from “mystery shopping” exercises; exploring the new frontiers of climate change; and risks and challenges of the digitalisation of the insurance industry, including both a supervisory and consumer protection perspective.

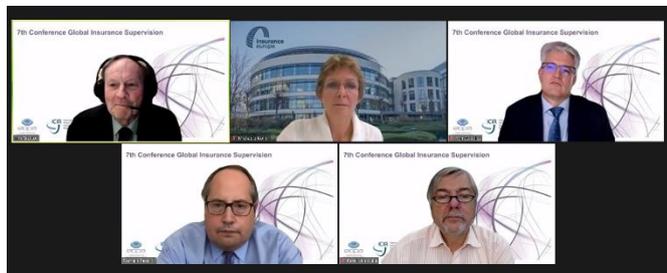


IAIS Head of Implementation, Manuela Zweimueller, provided insight into the IAIS strategic priorities, particularly emphasising cross-cutting topics such as climate, conduct, cyber risk, FinTech and BigTech trends, and the emerging area of diversity, equity and inclusion (DE&I). In addition, she presented the [IAIS-FSI joint note on redefining insurance supervision for the “new normal”](#), drawing attention to potential necessary adjustments to supervisory processes and activities; the human face behind supervision, including investment in developing internal skills; and in particular the long-term “new normal”. The latter is expected to trigger a re-evaluation of the demarcation between on- and off-site supervision and the efficiency and effectiveness of supervisory approaches. With a continued strategic investment in technology by the financial services sector, insurance supervisors also need to explore the use of supervisory technology tools (SupTech).

For more information contact Manuela Zweimueller at [manuela.zweimueller@bis.org](mailto:manuela.zweimueller@bis.org).

## EIOPA: The insurance sector in the aftermath of the Covid-19 pandemic | 14 September

Romain Paserot, IAIS Deputy Secretary General, spoke at the European Insurance and Occupational Pensions Authority (EIOPA) 7th Conference on Global Insurance Supervision held from 13-15 September. Romain joined a panel that discussed important strategic issues for the insurance sector including the impact of digitalisation, operational resilience, climate risk and lessons learnt from the Covid-19 pandemic. During this wide-ranging discussion, he noted that while the potential risks emerging from accelerated digitalisation trends need to be appropriately regulated and supervised, the IAIS recognises that innovation provides tremendous opportunities for the sector, including increasing access to insurance and reducing protection gaps.



Romain also set out the importance of a continued focus on operational resilience, including cyber resilience, which is a topic that the IAIS will be focusing on looking ahead. The IAIS' Operational Resilience Task Force (ORTF) will develop supporting material, such as Issues Papers and Application

Papers, in the field of operational resilience, specifically on IT third-party outsourcing and insurance sector cyber resilience. The ORTF will also develop supervisory supporting material on the basis of lessons learnt from the Covid-19 pandemic on ensuring business continuity over an extended period.

To access the event website, visit [GIS Conference 2021](#).

For more information contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

## IIS: Global Insurance Forum | 27-29 September

Vicky Saporta represented the IAIS on a panel as part of the Global Insurance Forum, organised by the International Insurance Society (IIS), on the issue of “Regulation in a changing landscape”. Vicky talked about the significant disruptive potential of innovations such as artificial intelligence and machine learning, application programming interfaces and blockchain technology in the insurance sector. She noted that the potential risks emerging from accelerated digitalisation trends need to be appropriately regulated and supervised so that the tremendous opportunities for the sector, including increasing access to insurance and reducing protection gaps, can be recognised. On the issue of Covid-19, Vicky set out the IAIS’ significant achievements despite the pandemic and the lessons supervisors have learnt from the crisis and how it will change the way they supervise in the future.

A replay of the session is available on the [Global Insurance Forum website](#).

For more information contact Joe Perry at [joe.perry@bis.org](mailto:joe.perry@bis.org).

## Meetings and Events

### Upcoming IAIS Meetings: October – December 2021

In line with the decision taken at the September 2021 Executive Committee meetings, the IAIS will continue to hold most meetings virtually but will begin a gradual transition back to in-person meetings, as appropriate.

Members should visit the IAIS website at [www.iaisweb.org](http://www.iaisweb.org) for the latest updates. The following groups are scheduled to meet between October and December 2021.

Meetings will be held in virtual format, unless otherwise noted.

Date	Group
<b>October 2021</b>	
4 October	Governance Working Group
5 October	Financial Inclusion Forum Plenary
6 October	Capital, Solvency and Field Testing Working Group (CSFWG)
6 October	Operational Resilience Task Force
7 October	Budget Committee (BC)
7 and 14 October	Macroprudential Monitoring Working Group
19 October	Infrastructure Task Force (ITF)
19 October	Resolution Working Group
20 October	Policy Development Committee (PDC)
21 October	Financial Crime Task Force
21 October	FinTech Forum Plenary
25 October	CSFWG
26 October	Climate Risk Steering Group
27 October	Standards Assessment Working Group

TBC	Market Conduct Working Group (MCWG)
<b>November 2021</b>	
2 November	Audit and Risk Committee
3 November	Implementation and Assessment Committee (IAC)
4 November	PDC
5 November	Insurance Capital Standard and Comparability Task Force
8 November	Macroprudential Committee
9 and 10 November	Executive Committee (ExCo)
w/c 15 November	Annual General Meeting (AGM) and Annual Conference
15 November	ExCo
30 November	Retirement Income and Pensions Forum
<b>December 2021</b>	
1 December	IAC-EMDE joint meeting
2 December	Accounting & Auditing Working Group
9 December	ITF
TBC	BC
TBC	MCWG

## Seminars and Training

### Upcoming: SSA (Sub-Saharan Africa) Inclusive Insurance Training Programme: focus on climate change and technology | 4-12 October

The Inclusive Insurance Training Programme, organised by the Access to Insurance Initiative (A2ii), IAIS and the Toronto Centre, is offered to insurance supervisors in Sub-Saharan Africa from 4-12 October. A total of 35 participants from 17 countries are taking part, after meeting for the first time at an onboarding session on 20 September.

This is the second cohort taking the training virtually on the new Connect.a2ii platform. The focus of this training programme is on innovation and climate change. In partnership with the Sustainable Insurance Forum and the UK's Bank of England, there will be an additional dedicated session on how to integrate climate related risks into regulatory frameworks.



The programme is a combination of self-paced learning modules and live virtual sessions taking place in English.

For more information, please [click here](#).

For more information contact the A2ii Secretariat at [janina.voss@a2ii.org](mailto:janina.voss@a2ii.org); [rachelle.jung@a2ii.org](mailto:rachelle.jung@a2ii.org).

### Recent: A2ii-ASSAL-IAIS Regional Dialogue on Insurance and the Sustainable Development Goal | 16 September

The Asociación de Supervisores de Seguros de América Latina (ASSAL), A2ii and IAIS jointly organised the Regional Dialogue on Insurance and the Sustainable Development Goals. About 140 attendees represented both the public and private sectors, most of them from Latin America.

The event was opened by Tomás Soley, President of ASSAL and Superintendent of SUGESE, and Manuela Zweimueller, Head of Implementation of the IAIS. In the first session, Pascale Lamb (A2ii) presented on why insurance matters to the SDGs and its role in reaching them, followed by an online survey and an interactive discussion, moderated by Regina Simões (A2ii).



In the second session, in the framework of her presentation on SDGs KPIs, Hui Lin Chiew (A2ii) clarified why data is essential to ensure that insurance gains a fixed place as a development tool. Veronica López Quesada (SSN) offered an overview of the joint efforts of Argentina's public and private sectors to gather data for the design of insurance products and business models centred on the needs of women entrepreneurs and domestic workers.

In her closing speech, Hannah Grant, Head of the A2ii Secretariat, highlighted that insurance remains key to achievement of the SDGs, especially in a post-pandemic scenario.

The complete recording of the regional dialogue, both in Spanish and in English, is available on the A2ii website and can be accessed [here](#).

For more information contact the A2ii Secretariat at [janina.voss@a2ii.org](mailto:janina.voss@a2ii.org); [rachelle.jung@a2ii.org](mailto:rachelle.jung@a2ii.org).

## Meet our Staff

Each month, get to know one (or two) IAIS staffers and a key project they are working on.



**Name:** Miho Chen

**Current role:** Policy Adviser

**Time with the IAIS:** Since September 2021

**Last employer:** Japan Financial Services Agency (JFSA)

**Favourite pastime:** Jogging and reading books

Miho joined the IAIS in September 2021 as Policy Adviser. She will coordinate the activities of the Signatory Working Group (SWG) and support the projects of the Implementation and Assessment Committee (IAC) and Standards Assessment Working Group (SAWG).

Prior to join the IAIS Secretariat, Miho spent almost ten years with the JFSA and managed information exchanges based on bilateral and multilateral agreements with foreign banking and insurance supervisory authorities. As part of her role, she has previously represented JFSA on the Market Conduct Working Group (MCWG) and SWG.

Miho has a Master's degree in Economics and International Relations from the University of East Anglia in the United Kingdom.



**Name:** Aurelie Ostermann

**Current role:** Administrative Officer

**Time with the IAIS:** Since August 2021

**Last employer:** Bank of International Settlements, Corporate Security Department

**Favourite saying:** Trust does not exclude control

**Favourite pastime:** Travelling/hiking, with a soft spot for the road to Santiago de Compostela

**Her dream:** Taking a one-year backpacking trip around the world

Aurelie joined the IAIS Operations team on 16 August 2021 as Administrative Officer, temporarily replacing a colleague on maternity leave. She will be supporting the Implementation and Assessment Committee (IAC) and also the Financial Inclusion Forum (FIF), among others.

Prior to join the IAIS Secretariat, Aurelie worked for the BIS in the Corporate Security Department. Before that, she spent five years working in France for the Internal Audit Department of the Caisse d'Epargne.

Aurelie holds a Master's degree in Finance from the University of Strasbourg.

## Appointments of Chairs and Vice-Chairs

The Executive Committee has recently made the following appointments:

- Daniel Wang (Monetary Authority of Singapore) as Chair of the Climate Risk Steering Group (CRSG); and
- Nina Chen (New York State Department of Financial Services, USA) as Vice Chair of the CRSG.

The Selection Committee has recently made the following appointment:

- Charlotte Cross (UK, FCA) as Chair of the Market Conduct Working Group (MCWG).

## Committee and Subcommittee Activities

### Committee Activities

Note: all meetings were held via video- or teleconference in light of Covid-19. The IAIS will continue to hold most meetings virtually but will begin a gradual transition back to in-person meetings, as appropriate.

#### Audit and Risk Committee

The Audit and Risk Committee (ARC) met on 16 September. During this meeting, the ARC discussed:

- Risks foreseen in the next half year, in particular in relation to uncertainty around the continuation of the pandemic;
- Enhancements to the Association's risk management framework, including a review of its risk appetite and risk tolerance to

identified risks and the development of an integrated information technology policy;

- Updates to a framework by which to determine the appropriate format of future meetings and events; and
- Progress towards the development of the Association's 2022-2023 Roadmap.

Secretariat support: [ruby.garg@bis.org](mailto:ruby.garg@bis.org)

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## Executive Committee

The Executive Committee (ExCo) held its annual Strategic Retreat on 27 and 28 September. Over the course of the two days, ExCo:

- Had its first collective discussion on the outcome of the IAIS 2020-2021 Global Monitoring Exercise (GME);
- Approved the publication of the GIMAR special topic on climate risk;
- Discussed a draft report to the FSB providing an update on implementation of the Holistic Framework;
- Discussed proposals for structural changes to the organisation of work carried out by subcommittees; and
- Discussed IAIS key strategic themes and prioritisation of the deliverables and resourcing of the Roadmap (see [update from the Secretary General](#) above).

Secretariat support: [malene.duncan@bis.org](mailto:malene.duncan@bis.org)

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## Implementation and Assessment Committee

The Implementation and Assessment Committee (IAC) met on 23 September.

During the meeting, the IAC:

- Received a progress update on the Targeted Jurisdictional Assessments (TJA) of the implementation of the Holistic Framework supervisory material; and
- Discussed the prioritisation of projects and key activities for the 2022-2023 IAIS

Roadmap as input for the ExCo Strategic Retreat.

The IAC will next meet on 3 November 2021.

Secretariat support: [rogier.derksen@bis.org](mailto:rogier.derksen@bis.org)

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## Macroprudential Committee

The Macroprudential Committee (MPC) met on 22 and 24 September. During the meeting, the MPC:

- Held a collective discussion on the outcome of the 2020-2021 GME;
- Agreed to recommend to the ExCo approval of the GIMAR special topic on climate change and financial stability;
- Held a tour de table on the impact of Covid-19 on the insurance sector in various jurisdictions; and
- Discussed the prioritisation of projects and key activities for the 2022-2023 IAIS Roadmap as input for the ExCo Strategic Retreat.

Secretariat support: [nicolas.colpaert@bis.org](mailto:nicolas.colpaert@bis.org) and [sylvie.ellet@bis.org](mailto:sylvie.ellet@bis.org)

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## Policy Development Committee

The Policy Development Committee (PDC) met on 21 September. During the meeting, the PDC:

- Received an update on the work of the Infrastructure Task Force (ITF);
- Received an update on the work of the Capital, Solvency and Field Testing Working Group (CSFWG); and
- Discussed the prioritisation of projects and key activities for the 2022-2023 IAIS Roadmap as input for the ExCo Strategic Retreat.

Secretariat support: [yasuaki.ohara@bis.org](mailto:yasuaki.ohara@bis.org) and [alka.sharma@bis.org](mailto:alka.sharma@bis.org)

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## Subcommittee Activities

### Accounting and Auditing Working Group

The Accounting and Auditing Working Group (AAWG) met on 23 September via a conference call. Members:

- Discussed the AAWG workplan for 2022-2023;
- Held a stakeholder call to discuss items of mutual interest; and
- Received a presentation from the IFRS Foundation on the potential establishment of the International Sustainable Standards Board.

Secretariat Support: [jay.muska@bis.org](mailto:jay.muska@bis.org)

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### Capital, Solvency and Field Testing Working Group

The Capital, Solvency and Field Testing Working Group (CSFWG) met on 9 and 16 September to discuss:

- Draft criteria that will be used to assess whether the Aggregation Method provides comparable outcomes to the ICS; and
- Initial high-level results of the 2021 ICS data collection (Volunteer Group submissions for the 2021 ICS and AM data collections were due on 31 August).

CSFWG will next meet on 6 October to continue discussion on these topics, as well as the ICS results dashboard (planned to be circulated to group-wide supervisors late October). CSFWG will also begin the review of Insurance Core Principles (ICPs) 14 and 17.

Secretariat support: [romain.paserot@bis.org](mailto:romain.paserot@bis.org) and [danita.pattemore@bis.org](mailto:danita.pattemore@bis.org)

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### Financial Crime Task Force

The Financial Crime Task Force (FCTF) met on 8 September. During the meeting, the FCTF discussed:

- Update on activities of the Financial Action Task Force (FATF);
- Update on 2022-2023 IAIS Roadmap process; and
- The outcome of the public consultation on the draft revised *Application Paper on Combating Money Laundering and Terrorist Financing*, which took place between 18 May and 17 July 2021.

Secretariat support: [yasuaki.ohara@bis.org](mailto:yasuaki.ohara@bis.org)

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### Insurance Groups Working Group

The Insurance Group Working Group (IGWG) met on 14 September. During the meeting, the IGWG discussed:

- The outcome of the public consultation on the *Application Paper on Supervisory Colleges*, which took place between 23 June and 24 August 2021; and
- Development of an internal implementation guide (available to Members only) on supervisory colleges, complementing the content of the *Application Paper on Supervisory Colleges*.

Secretariat support: [grzegorz.komarnicki@bis.org](mailto:grzegorz.komarnicki@bis.org)

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### Market Conduct Working Group

The Market Conduct Working Group (MCWG) met jointly with the Governance Working Group (GWG) on 15 September to agree on the resolution of public consultation comments relating to the draft *Issues Paper on Insurer Culture*. Public consultation on the draft Paper closed on 23 August. The Paper is planned for adoption in November. A public session to present the final Paper will be scheduled shortly thereafter.

During the meeting, a presentation was given on joint work currently underway by the UK Prudential Regulation Authority (PRA), Financial Conduct Authority (FCA) and Bank of England (BoE) on diversity and inclusion in the financial sector.

Secretariat support: [farzana.badat@bis.org](mailto:farzana.badat@bis.org)

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### **Macroprudential Monitoring Working Group**

The Macroprudential Monitoring Working Group (MMWG) met on 31 August and 10 September to:

- Discuss the 2021 GIMAR special topic on climate change and financial stability;
- Prepare the collective discussion on the outcome of the 2020-2021 GME;
- Discuss the draft outline of the 2021 GIMAR, which is planned to be published later this year and presents the outcomes of the IAIS' GME, which is the IAIS' framework for monitoring risks and trends in the global insurance sector and assessing the possible build-up of systemic risk; and
- Discuss updates on the development of the liquidity metrics and the reinsurance workstream.

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## 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.*

### New FSI brief on pandemic risk capital requirement

The Financial Stability Institute (FSI) recently published [FSI Brief no 15 vaccinating insurers against pandemics – a review of capital requirements for pandemic risk](#). The Paper reviews a selection of existing capital requirements relating to a pandemic situation.

The Paper finds that these regulatory frameworks do not currently prescribe specific capital requirements for pandemic risks. Rather, they cover pandemics mainly in terms of mortality risk. As the Covid-19 pandemic crisis has shown, risk exposures of insurers extend beyond mortality.

As such, regulatory frameworks, though not necessarily through capital requirements, may consider other risks that could arise from future pandemics. These include heightened market, credit and operational risks, as well as their increased interdependencies

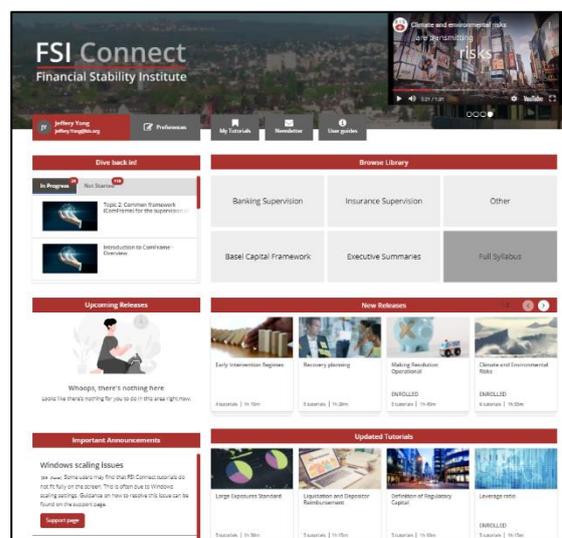
### Upcoming Event:

**Virtual session on cyber resilience and climate change in the insurance sector | 12 and 14 October**

The Association of Insurance Supervisors of Latin America (ASSAL), the IAIS and the FSI are organising a virtual session that comprises of two webinars on cyber resilience and climate change on 12 and 14 October. For each topic, there will be a technical presentation followed by panel discussions with insurance supervisors in the Latin American region.

### FSI Connect moving to a new platform

FSI Connect will move to a new learning management system by 1 April 2022. The new platform will leverage advancements in e-learning technology in order to meet the evolving capacity building needs of supervisory authorities and the FSI's future online course offerings. A preview of the prototype platform is below:



## Access to Insurance Initiative 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 [Covid-19 Insurance Supervisory Response Tracker](#)
- The [Supervisory KPIs Lexicon](#)
- The [Inclusive Insurance Regulations map](#)
- The [ICP Self-assessment Tool](#)

### Recent Events

#### Capacity Building for Insurance Supervisors - Leveraging Actuarial Skills Training Ends | 16 September



After four weeks, the actuarial training for insurance supervisors wrapped up on 16 September. About 40 supervisors from over 20 jurisdictions worked on a set of self-paced online modules and participated in eight live webinars.

A team of 11 experienced trainers introduced the participants to the principles of actuarial concepts and provided them with the tools for effective insurance supervision and regulation. Topics covered included risk management, valuation reports, reinsurance, risk-based capital, as well as key performance indicators to monitor for risk-based solvency.

The trainers were: **Jeff Blacker** as the lead trainer, **Craig Thorburn** (World Bank), **Elias Omondi** (FSD Africa), **Janice Angove** and **Eamon Kelly**, as well as the IAA volunteers **Fred Rowley**, **Britta Hay**, **Simone Brathwaite**, **Stuart Wason**, **Jules Gribble**, and **Alex Kühnast**.

It was the first time that the IAA-IAIS-A2ii training was rolled out as a fully virtual event and supervisors' feedback reflects its success:

*"I have joined many virtual trainings already but I must say that this is the best one. Kudos to the whole team!"*

*"I really appreciate that the training was made available virtually. One of the positive things that Covid-19 pandemic has caused, is that courses, trainings, webinars, etc. are virtually organized now, which is economical and many of the staff may attend it."*

The IAA, IAIS and A2ii are now looking forward to rolling-out the training in Spanish in early 2022.

#### Regional Conference on Inclusive Insurance in the CEET region | 1-2 September



A2ii, together with Munich Re Foundation, Microinsurance Network, the IAIS and the Insurance Supervisory Agency from Slovenia (AZN) organised the two-day digital conference on **"Inclusive insurance in the CEET region – challenges and opportunities"**.

**Teresa Pelanda** (A2ii) was among the panellists on inclusive insurance fundamentals. A2ii also organised a session on digitalisation. Recordings of the four sessions and a full summary of the event are available on [the A2ii's website](#).

In addition, in the context of the conference, A2ii officially launched a report on the [Inclusive](#)

[Insurance Regulatory Landscape in the CEET Region](#). This landmark study seeks to better define the current stage of the market and to address potential growth opportunities.

### A2ii-IAIS Public Dialogue on “Closing the Health Financial Protection Gap: Expanding Access to Health Insurance in Times of Crisis and Beyond” | 30 September



Dialogues

The dialogue entailed a panel discussion with **Lisa Morgan** from ILO’s Impact Insurance Facility, **Asitha Rodrigo** from MILVIK BIMA, and **Randip Singh Jaggal** from the Insurance

Regulatory and Development Authority of India (IRDAI). The discussion explored the role of private and voluntary health insurance in strengthening financial protection in health in developing and emerging markets – addressing both the role of private sector innovation and that of regulators and development practitioners in ensuring that the corresponding products offer value and are complementary with compulsory, public systems, especially in the context of Covid-19. Lisa Morgan presented on different models of healthcare financing, highlighting examples from Ghana and Egypt and stressing that private insurance options need to be always designed with public offerings in mind. She also provided arguments for why hospital cash products are a particularly successful health financial protection tool in many emerging and developing markets.

The dialogue went on further to explore successful collaborations between health insurance providers, policy makers and regulators in select jurisdictions. In this regard, BIMA provided an overview of their health and health insurance offerings, highlighting that a key factor for their success in developing and emerging markets is its focus on client realities, in addition to its emphasis on digital delivery models. BIMA also brought up regulatory barriers to successfully launching and expanding health and health insurance products and how these can be overcome. The critical role of the regulator in ensuring private health insurance options can deliver value to low-income customers was further emphasized by IRDAI, who spoke on some of the actions the authority has been taking to ensure complementarity between public and private

health insurance options as well as how IRDAI has responded to the Covid-19 crisis.

For more on what came up in the dialogue, keep an eye out on the [A2ii website](#) where the recording and presentation will be published.

The next dialogue will be a public dialogue that will take place on 25 November on the topic of "Pandemic Risk: Opportunities to improve insurability." Please [click here](#) to find out more and to register.

If you have any questions or comments, please send them to [dialogues@a2ii.org](mailto:dialogues@a2ii.org).

### Upcoming Events

#### A2ii-IAIS Public Dialogue on Pandemic Risk: Opportunities to improve insurability | 25 November

More details will be announced on the A2ii’s [website](#).

If you have any questions or comments, please send them to [dialogues@a2ii.org](mailto:dialogues@a2ii.org).

### Staffing Updates

Dorothee Ohl, the A2ii’s former financial manager, has taken a promotion as a senior finance manager within a GIZ project in Sub-Saharan Africa. We wish her the best and thank her for her years with us!



The A2ii warmly welcomes **Mariana Otto** as our new **Financial Manager**. Mariana is responsible for the financial steering and controlling of the A2ii, ie. for budget planning, monitoring, contracting and financial reporting to A2ii funders and the Governing Council. Before joining the A2ii, Mariana worked in various administrative support structures within GIZ (project financial management, internal control, contracting) and as management assistant of the head of GIZ’s sectoral department. She holds a diploma in business administration and speaks German, English and Spanish fluently.

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

**About the IAIS**

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions. The mission of the IAIS is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

Established in 1994, the IAIS is the international standard setting body responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation. The IAIS also provides a forum for Members to share their experiences and understanding of insurance supervision and insurance markets.

The IAIS coordinates its work with other international financial policymakers and associations of supervisors or regulators and assists in shaping financial systems globally. In particular, the IAIS is a member of the Financial Stability Board (FSB), member of the Standards Advisory Council of the International Accounting Standards Board (IASB) and partner in the Access to Insurance Initiative (A2ii). In recognition of its collective expertise, the IAIS also is routinely called upon by the G20 leaders and other international standard-setting bodies for input on insurance issues as well as on issues related to the regulation and supervision of the global financial sector.

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