IAIS ANNUAL REPORT 2020

ACTIVITIES FROM JANUARY THROUGH DECEMBER 2020

INCLUDING 2020 FINANCIAL STATEMENTS
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MESSAGE FROM THE SECRETARY GENERAL

Jonathan Dixon
IAIS Secretary General

The IAIS had a strong start to 2020. We had just delivered on our commitments to the post-financial crisis reform agenda with the adoption of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) and the Holistic Framework for the identification and mitigation of Systemic Risk in the Insurance Sector (Holistic Framework). We also successfully reached agreement amongst our membership on the way forward for the Insurance Capital Standard (ICS) version 2.0 for a five-year monitoring period. With the New Year, we embarked on our 2020-2024 Strategic Plan; focusing on technological innovation, sustainability, climate risk and cyber risk – future-oriented strategic themes with the potential to reshape the insurance sector and broader financial system.

Then the Covid-19 pandemic hit; changing the world, the way we live and work and exacting terrible human loss. It quickly became apparent that this was a global crisis, requiring a global response. Through this period of rapid change and uncertainty, the IAIS adapted with commitment, engagement and focus, continuing our work to help maintain financial stability and protect policyholders around the globe.

This pandemic brought the role of insurers to the forefront, as the first line of defence against uncertainty and risk. In addition, as institutional investors, insurers have a significant contribution to make towards economic recovery. In order for insurers to fulfil this role within the global financial system, however, the stability of the sector is vital. In this sense, the IAIS has a critical role to play by facilitating the exchange of information across jurisdictions to deepen the understanding of the impact of the pandemic and to encourage cohesion amongst insurance supervisory approaches in responding to the crisis.

To this end, the IAIS rapidly pivoted to assessing and understanding the impact of the pandemic and the risks it poses to the global insurance sector, and putting in place measures to support supervisory responses to this crisis. Activities and new lines of work included:

- Making adjustments to our work programme to provide operational relief to our Member supervisors, insurers and other stakeholders so that they could better focus on their individual efforts to respond to Covid-19;

“In the face of crisis, we successfully transitioned to the virtual world while keeping our momentum – pivoting to address the repercussions and implications of the pandemic for our Members and the insurers they supervise while also progressing the IAIS’ key projects and activities.”
During this past year, the IAIS has maintained its collaborative interaction with insurers and supervisors, striving to provide tools to help them respond to this global health crisis, while also quickly learning the skills to do so in a completely virtual environment. We have leveraged the opportunities of this “new normal”, for example organising successful virtual milestone events that have increased our global reach and transforming our social media presence, by rapidly embracing a new set of virtual tools.

I am very proud of how the IAIS has continued to deliver on its mission and serve its Members effectively throughout 2020. The year has been a lesson in adapting rapidly to changing circumstances, from which we have emerged stronger. The pandemic demonstrated the IAIS’ ability to learn quickly, to adjust and to take bold action. I extend my sincere gratitude to our Members, our stakeholders, ExCo and the Secretariat for their dedication and resilience in this intense and demanding year.

Jonathan Dixon

For the IAIS, the Covid-19 crisis impacted the scope and content of our work as well as the very ways in which we work. In-person meetings ground to a halt, replaced by an intensive schedule of virtual meetings and events devised to ensure that Members and stakeholders were kept continually informed and engaged and that international information sharing and cooperation was enhanced. Travel restrictions and Covid-19 pressures impacted the IAIS’ resourcing model, affecting both the number of Member representatives in IAIS working groups and also the availability of Member secondments to support the work of the Secretariat. The IAIS quickly put in place the following mitigating efforts:

- The Executive Committee (ExCo) adjusted to a bi-weekly schedule of virtual meetings;
- Coordination meetings amongst SSBs and the FSB increased in frequency; and
- The Secretariat moved quickly to remote operations, tackling the new Covid-focussed activities, while also taking on additional working group responsibilities.

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Jonathan Dixon
REPORT FROM THE CHAIR OF THE EXECUTIVE COMMITTEE

The past year has certainly unfolded differently than any of us could have predicted. The Covid-19 pandemic cast a long shadow over 2020, presenting us with the challenge of responding to unprecedented social and economic upheaval. The year was also marked by devastating extreme-weather events and a historic wave of protests over racial and gender-related injustice. 2020 was very much a year of disruption and change.

Our Members responded rapidly to the challenges presented by Covid-19. It is reassuring to see that, thus far, the insurance sector has remained financially and operationally resilient. This resilience is reflective of the sophisticated risk management methods used by insurers as well as of important reforms implemented by IAIS Members, many of which were guided by agreements on global standards that were reached by the IAIS in Abu Dhabi at the end of 2019. In the midst of this, the IAIS also managed to progress key work, delivering on the many important projects that had been planned for 2020.

COVID-19 PIVOT

In March 2020, when it became apparent that the Covid-19 pandemic was a global crisis demanding a global response, our immediate focus as the IAIS Executive Committee (ExCo) was on assessing and understanding the impact of the pandemic and rapidly providing operational relief and flexibility to insurers and Members to help them better respond. We quickly adjusted our work programme in order to provide a coordinated international supervisory response and to help contribute to the maintenance of global financial stability. Two key pandemic-related initiatives should be highlighted:

Covid-19 targeted risk assessment
Assessing and understanding the impact of the pandemic and the risks it poses to the global insurance sector was paramount. We swiftly moved to re-purpose the Global Monitoring Exercise (GME), which is part of the IAIS’ Holistic Framework, to provide a rich source of data to monitor the impact of the pandemic. Made up of data from close to 60 of the largest international insurance groups and close to 40 insurance supervisors, covering more than 90% of the global insurance sector, data from the GME indicated that despite a significant initial shock to financial markets, the global insurance sector demonstrated both operational and financial resilience. On aggregate, insurers’ solvency ratios remained strong, although by the end of 2020 they were still below pre-Covid-19 levels.

Liquidity positions remained overall stable. This, of course, also reflects the unprecedented fiscal and monetary policy support measures taken in response to Covid-19. Uncertainties remain as supervisory measures providing operational relief and monetary and fiscal support measures will eventually need to be wound down.

Database of Covid-19 related policy and supervisory measures
As early as March, we began to collect data in the form of a survey to Members, which elicited input on the key regulatory, supervisory and other policy measures taken in response to Covid-19. These were collected in a repository and shared to facilitate information exchange between insurance supervisors, with a view to identifying best practices and potential areas for a coordinated response.

More than 130 responses from 70 IAIS Members from around the globe were received. A database was created to ensure that Members had a streamlined and integrated tool with which to share and analyse data. This included an interactive dashboard, which provided IAIS Members with an overview of submissions on an aggregate basis according to selected response categories and regions.

“The true test of international standards comes in times of crisis. With the onset of the Covid-19 pandemic, we saw unprecedented cooperation and collaboration as our Members came together to assess and respond to emerging risks. The IAIS provides a good example of how global regulatory coherence both reduced the negative fallout for the financial system during the height of the crisis and supported pandemic recovery and economic growth.”

IAIS ANNUAL REPORT 2020
REPORT FROM THE CHAIR OF THE EXECUTIVE COMMITTEE

POST-CRISIS REFORMS

The experience of 2020 has highlighted the importance of the reforms we agreed to last year; they have provided us with a common international language with which to communicate and evaluate risks to the insurance sector. While there is some way still to go before these reforms are fully implemented, we can see that they have equipped us with a robust framework to help maintain the resilience of the insurance sector.

We kept up momentum on the Insurance Capital Standard (ICS), starting a five-year monitoring period with 39 volunteer groups in January. During this initial year of monitoring, the IAIS, for the first time, received feedback from discussions amongst group-wide supervisors and supervisory colleges about ICS performance. This substantial and helpful feedback will contribute to further improvements and planning for the second year of the monitoring period. Importantly, the Covid-19 pandemic has provided a valuable lens through which to assess the performance of the ICS and evaluate the importance of a global insurance standard in periods of global stress. Observations from the stressed conditions of 2020 will provide beneficial information for any further refinements of the ICS.

FOCUS ON KEY EMERGING TRENDS

Concurrently with our efforts on Covid-19, we have also been able to progress key themes that we had identified as important to the future of insurance. Covid-19 has acted as a catalyst, further accelerating many of these themes:

Climate change
Climate change poses a material and present risk to the insurance sector. Failure to adequately manage the impact from climate change across the insurance sector could put both global financial stability and policyholders at risk. More broadly, the insurance sector – with its expertise in risk assessment and management – needs to be a central steward of the transition to a net zero economy; insurance supervisors in turn have a critical role to play in supporting the insurance sector to fulfil its stewardship responsibility.

Together with the United Nations-convened Sustainable Insurance Forum (SIF), we published an Issues Paper on the Implementation of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, identifying ways for supervisors to encourage strengthened climate-related disclosures within their markets. We also progressed development of an Application Paper on the Supervision of Climate-related Risks in the Insurance Sector, which was published for consultation in October and finalised in May 2021.

In 2020, the IAIS also approved an Environmental Policy aimed at guiding our own performance on environmental issues – the first of its kind amongst global standard-setters. The policy includes strategic objectives and metrics with respect to reducing the carbon footprint of our meetings and events, Secretariat travel and working practices. Starting with the next Annual Report, we will communicate on progress with respect to these objectives and targets.

Additional key themes
Technological innovation, cyber risk, the importance of conduct and culture, the challenge of sustainable development and the insurance protection gap impact all of our Members – from both developed and developing jurisdictions. We have therefore put increasing efforts and resources behind understanding and collaborating with Members and helping them to respond to these topics.

This year we established an Operational Resilience Task Force (ORTF) to focus on issues related to cyber resilience and outsourcing, including outsourcing to third party technology and cloud providers. The IAIS published a Report on Cyber Risk Underwriting, to better understand the growing role insurers play in underwriting cyber risks.

On technological innovation, we released an Issues Paper on the Use of Big Data Analytics in Insurance, which describes some of the great opportunities that increased digitalisation has created for the sector and for policyholders. However, the Paper also calls upon supervisors to increase their vigilance of certain policyholder and insurer risks that could be unintentionally exacerbated by the rapid pace of digitalisation across the sector. The IAIS has signalled that it will increase its focus on supporting Members to address these risks and vulnerabilities in the coming years.

Our work on financial inclusion progressed further with our continued strong partnership with the Access to Insurance Initiative (A2ii) and the creation of our Financial Inclusion Forum (FIF). And, in response to the tragic occurrences and eye-opening protests surrounding systemic racial, social and gender issues, we kicked off important efforts to improve understanding of diversity, equity and inclusion as well as insurance protection gaps.
REPORT FROM THE CHAIR OF THE EXECUTIVE COMMITTEE

ASSESSMENT AND CAPACITY BUILDING

The IAIS Strategic Plan 2020-2024 highlighted a pivot towards a greater focus on implementation activities to support our policy initiatives. Key highlights in 2020 include the following achievements:

- In partnership with the A2ii, we further developed the beta version of an online Self-Assessment Tool, which supervisors can use to assess their level of implementation against the Insurance Core Principles (ICPs);
- In June, we published an aggregate report about the Peer Review Process of standards related to Corporate Governance and Risk Management – namely, ICPs 4 (Licensing), 5 (Suitability of Persons), 7 (Corporate Governance) and 8 (Risk Management and Internal Controls);
- The second pilot Member Assessment covering the Kingdom of Morocco was finalised and a new Member Assessment focusing on Mexico was started;
- The baseline assessment (BLA) of the implementation of the supervisory material related to the Holistic Framework was carried out in 26 jurisdictions, covering more than 90% of the global insurance market;
- 2020 marked the 25th anniversary of the IAIS Multilateral Memorandum of Understanding (MMoU) and the addition of the 75th signatory;
- The IAIS-FSI FIRST ONE Programme received record enrolment of over 400 participants; and
- Our financial inclusion and pensions work transitioned to Forums to support our Members in tackling key issues, including those arising from the pandemic.

A VIEW TO 2021

As we look ahead, we have developed an ambitious workplan that incorporates the experiences and learnings from this year, yet also holds true to our Strategic Plan 2020-2024. Our work programme addresses four areas:

**Risk assessment and contributing to the maintenance of financial stability**

The economic pressures of Covid-19 may decrease but they will not disappear. Accordingly, a key focus of the IAIS’ work will be on the assessment of vulnerabilities and potential build-up of systemic risk with our GME, as well as the ongoing assessment of potential vulnerabilities arising from the impact of Covid-19.

**Delivering on key post-crisis reforms**

Covid-19 has underscored the importance of our global reforms: maintaining the momentum in the finalisation of the ICS, including its further refinement during the current five-year monitoring period, and the consistent implementation of the Holistic Framework continue to be key priorities for the IAIS.

**Addressing the risks and opportunities of accelerating trends**

High priority will be given to climate risk ahead of COP26 in November 2021. The great acceleration in the use of technology and digitalisation, and the new ways of working experienced this year are reflective of a “new normal” that will be sustained beyond the current crisis. We will support these trends with the development of guidance on remote supervision, digital transformation and cyber risk topics. In addition, we will engage in work focusing on supervisory perspectives on the pandemic protection gap; measures to increase operational resilience of insurers; supporting activities to transition to risk-based solvency regimes in emerging markets and developing economies; and new endeavours in the important area of diversity, equity and inclusion.

Implementation support and assessment

In the area of implementation and assessment, we will reinforce our extensive programme of Member support to help insurance supervisors understand and implement our standards, to gauge progress in the observance of our standards and to target supervisory capacity building initiatives. Building on the baseline assessment of the implementation of the Holistic Framework supervisory material, we will undertake more intensive targeted jurisdictional assessments in ten major insurance market jurisdictions during the course of 2021-2022.

While 2020 has been an incredibly challenging year, it has also provided a valuable moment of reflection. The Covid-19 pandemic has shone a spotlight on the susceptibility of societies and world economies to long-tail systemic shocks and raised awareness of these perils. The insurance sector is going to be front and centre in helping to build back more resilient societies.

We can all take pride in being part of an Association that plays an essential role in building a more positive and sustainable future. Thank you to our Members for your steadfast commitment, spirit of collaboration and keen insights, and thank you to our community of stakeholders for your open communication and constructive input to our work.
The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors from over 200 jurisdictions, constituting 97% of the world’s insurance premiums. We are an international standard-setting body that promotes effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe and stable insurance markets.

Moreover we support the implementation and assessment of standards and work to identify, assess and mitigate systemic risk in the global insurance sector by, among others, providing an international forum for discussing and addressing the challenges and opportunities facing the insurance sector and insurance supervision.

The IAIS performs a forward-looking role in identifying key trends and developments that could reshape the business of insurance. This supports our Members in addressing emerging risks and challenges. Currently, technological innovation (including FinTech), cyber risk, climate risk, conduct and culture, financial inclusion and sustainable economic development are the emerging issues on which we are focused.

Established in 1994, the IAIS is hosted by the Bank for International Settlements (BIS) and operates with the support of a Secretariat located in Basel, Switzerland, under the direction of a Secretary General.

STRUCTURE

The IAIS delivers on its mission through a committee system made up of its Members. The committee system is led by an Executive Committee (ExCo) whose 38 members come from around the world, representing advanced and developing insurance markets. ExCo is responsible for providing strategic direction and managing IAIS affairs in a manner consistent with the specific duties outlined in its by-laws. It appoints the Secretary General and takes all decisions necessary to achieve the IAIS mission in accordance with the directions given by the General Meeting of Members (which includes all IAIS Members).

The Executive Committee is supported by the following five committees established under its by-laws:

- Audit and Risk Committee
- Budget Committee
- Implementation and Assessment Committee
- Macroprudential Committee
- Policy Development Committee

IAIS EXCO 2020
**STRATEGY**

The IAIS is guided by its 2020-2024 Strategic Plan. Integral to the strategy are the high-level goals (HLGs) which guide the Association’s work and leverage the potential for effective collaboration with partner organisations, other standard-setting bodies and industry stakeholders.

The cycle of HLG activities focus on specific themes driven by the trends and developments in insurance markets and supervisory organisations. Key work areas include the finalisation and implementation of post-crisis reforms, the ongoing risk assessment and the monitoring of global trends with the potential to reshape the business of insurance in the coming years. Particular attention is also given to implementation, assessment and capacity-building.

The IAIS links the strategy with its key initiatives through its work programme, or Roadmap. The Roadmap prioritises IAIS projects and activities over a two-year period, but is adapted yearly to align with newly identified risks or trends.

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**HIGH LEVEL GOALS (HLGs) FROM THE IAIS STRATEGIC PLAN 2020-2024**

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The IAIS assesses 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.

The IAIS sets and maintains globally recognised standards for insurance supervision that are effective and proportionate.

The IAIS supports its Members by sharing good supervisory practices and facilitating understanding of supervisory issues.

The IAIS assesses and promotes observance of its supervisory material.

The IAIS operates effectively, efficiently and transparently in delivering on its mission and in communicating with stakeholders.

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**ABOUT US**

The IAIS’ mission is to promote effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to the maintenance of global financial stability.
The reforms following the global financial crisis are largely agreed; at this stage, effective implementation is a critical objective. Central amongst the reforms are principles, standards and guidance for effective supervision of insurance.

The IAIS’ work over the past decade on enhanced international standards for supervision of the global insurance sector has contributed to more advanced risk management and greater resilience in the insurance sector.

### POST-CRISIS REFORMS AND RISK ASSESSMENT

The IAIS ANNUAL REPORT 2020

### POST-CRISIS REFORMS AND RISK ASSESSMENT

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The IAIS’ work over the past decade on enhanced international standards for supervision of the global insurance sector has contributed to more advanced risk management and greater resilience in the insurance sector.
The key themes identified in the IAIS Strategic Plan have the potential to reshape the global economy, the financial system and the insurance sector specifically. As the global community of insurance supervisors, IAIS Members need to remain keenly aware of these trends and developments and respond to them with agility and insight. Accordingly, the IAIS has heightened its efforts to be forward-looking and collaborative in supporting Members to adopt effective supervisory responses to these key themes.

**CLIMATE RISK**
Climate change has an impact on the resilience of individual financial institutions, including insurers, as well as on financial stability. Insurers are exposed to both transition and physical risks through their underwriting and investment activities. Insurers can also be key agents in identifying, mitigating and managing climate risk.

The IAIS actively promotes the implementation of its supervisory material. Working closely with key implementation partners such as the Access to Insurance Initiative (A2ii), the Financial Stability Institute (FSI), the UN-convened Sustainable Insurance Forum (SIF) and the Toronto Centre, as well as international organisations and regional associations of supervisors, the IAIS supports training seminars and conferences, as well as initiatives to support financial inclusion, enable peer exchange amongst supervisors and facilitate supervisory cooperation. In addition, the IAIS assesses and promotes the observance of its supervisory material by providing a tool for self-assessments, conducting thematic peer reviews and undertaking comprehensive member assessments.

**TECHNOLOGICAL INNOVATION**
Rapidly increasing technological and digital innovation will have far-reaching effects on our sector. FinTech presents significant opportunities for financial inclusion and policyholder value yet also poses conduct and operational risks. The rapid expansion in alternative data sources and advanced data analytics has particular impact and has the potential to disrupt the insurance market.

**CONDUCT AND CULTURE**
A holistic approach to market conduct and prudential supervision is called for, recognising that conduct and culture issues could lead to financial soundness and stability concerns. Additionally, technological changes to the insurance business model present new conduct challenges, such as the supervision of the use of advanced data analytics.

**CYBER RISK**
Cyber risk has been increasing for several years, in line with expanding digitisation, interconnectedness and cyber threats. Insurers are not only exposed to cyber risks in their operations but are also active takers of cyber risk through their cyber underwriting activities.

**FINANCIAL INCLUSION AND SUSTAINABLE ECONOMIC DEVELOPMENT**
Insurance supervision has an important role in insurance market development and, more broadly, sustainable economic development. Policyholder protection and financial stability are fundamental to ensuring the involvement of the insurance sector in closing the protection gap, including providing for security in old age; supporting inclusive insurance markets; and promoting sustainable long-term investment.

As the global standard-setting body for insurance supervision, the IAIS coordinates its work with that of other international financial policymakers, associations of supervisors and standard-setting bodies. International bodies, including the Group of 20 (G20), routinely call upon the collective expertise of IAIS Members.
# COMMITTEES

## EXECUTIVE COMMITTEE

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<th>Name</th>
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<tr>
<td>Victoria Saporta</td>
<td>UK, PRA</td>
<td>Chair</td>
</tr>
<tr>
<td>David Altmaier</td>
<td>USA, Florida</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>Norio Hida</td>
<td>Japan, FSA</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>Suzette Vogelsang</td>
<td>South Africa, PA</td>
<td>Vice Chair</td>
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The Executive Committee is responsible for providing overall strategic direction and managing IAIS activities in a manner consistent with the specific duties set forth in the Association’s by-laws. The Executive Committee is specifically responsible for establishing and overseeing the Audit and Risk, Budget, Macroprudential, Policy Development, and Implementation and Assessment Committees. More generally, the Executive Committee is charged with doing all things necessary to ensure the sound functioning and furtherance of the mission of the Association.

## AUDIT AND RISK COMMITTEE

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<th>Name</th>
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<tbody>
<tr>
<td>Geoff Summerhayes</td>
<td>Australia, APRA</td>
<td>Chair</td>
</tr>
<tr>
<td>Ryan Workman</td>
<td>USA, NAIC</td>
<td>Vice-Chair</td>
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The Audit and Risk Committee is responsible for reviewing the internal controls of the Association and monitoring that its activities achieve their objectives through effective and efficient operations and are compliant with applicable procedures and resolutions.

## BUDGET COMMITTEE

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<tr>
<td>Subhash C. Khuntia</td>
<td>India, IRDAI</td>
<td>Chair</td>
</tr>
<tr>
<td>Ryan Workman</td>
<td>USA, NAIC</td>
<td>Vice-Chair</td>
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The Budget Committee is responsible for overseeing the financial position and financial management of the IAIS, monitoring the IAIS’ financial situation on a regular basis, making recommendations on annual fee and expenditure levels, recommending and reviewing the IAIS’ policies on investment and reserves, and reviewing proposals for significant unbudgeted expenditures.
IMPLEMENTATION AND ASSESSMENT COMMITTEE

The Policy Development Committee (PDC) oversees the development and review of supervisory and supporting material in collaboration with the other relevant committees. In carrying out its mandate, the PDC is supported by ten subcommittees, discussing and resolving complex technical and policy issues and providing steer to help progress work.

Subcommittees:
- Accounting and Auditing Working Group
- Capital, Solvency and Field Testing Working Group
- Financial Crime Task Force
- Governance Working Group
- Infrastructure Task Force
- Insurance Groups Working Group
- Market Conduct Working Group
- Operational Resilience Task Force
- Resolution Working Group
- Supervisory Material Review Task Force

MACROPRUDENTIAL COMMITTEE

The Macroprudential Committee (MPC) is responsible for steering and overseeing the financial stability work of the IAIS. The implementation of the Holistic Framework is one of the committee’s key projects, including the Global Monitoring Exercise as well as work aimed at supporting IAIS Members in implementing the Holistic Framework. In carrying out its mandate, the MPC is supported by two subcommittees: the Macroprudential Monitoring Working Group and Macroprudential Supervision Working Group.

POLICY DEVELOPMENT COMMITTEE

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- Infrastructure Task Force
- Insurance Groups Working Group
- Market Conduct Working Group
- Operational Resilience Task Force
- Resolution Working Group
- Supervisory Material Review Task Force
The Covid-19 pandemic brought the insurance sector to the forefront due to its important role in defending against uncertainty and risk in this global health and economic crisis. The IAIS rapidly pivoted from its planned programme of work to supporting Members and serving the public by building a global and multi-dimensional response to the challenges of the pandemic.

The IAIS had a unique role in helping insurance supervisors to share global perspectives on the challenges they faced and encouraging cohesion in supervisory responses, while also ensuring the underlying financial stability of the sector and broader financial system. It was critical to strike the right balance between financial stability, prudential soundness and market conduct.

The Covid-19 crisis has proven to be an impetus for innovation and agility. Looking ahead, the IAIS will dedicate significant attention to addressing the risks and opportunities of accelerating trends arising from the pandemic. Given the remaining uncertainty about the duration and impact of the Covid-19 crisis, the IAIS will also continue to actively monitor and assess how the insurance sector is affected, through targeted risk assessments involving insurers and supervisors across the globe.
ASSESSING AND RESPONDING TO GLOBAL MARKET TRENDS

Assessing and responding to global market trends is central to the IAIS’ mission to protect policyholders and contribute to global financial stability. Accordingly, our focus is placed on those developments that pose the greatest potential opportunities, challenges and risks to our mission, namely microprudential, macroprudential and conduct of business risks.

The Covid-19 pandemic and ensuing crisis quickly became the dominant theme of 2020. The IAIS’ risk assessment work, therefore, focused heavily on assessing the immediate and potential future impacts of Covid-19 on the global insurance sector to inform supervisory cooperation and responses at global level. As a result, the IAIS’ risk assessment framework, the Global Monitoring Exercise (GME), was adapted specifically for this purpose. In addition, a database of Covid-19 related policy and supervisory measures was established to facilitate information exchange between insurance supervisors and identify potential areas for coordinated responses. Also, in 2020 the IAIS continued to refine its risk assessment framework through the further development of liquidity metrics.

ASSESSMENT OF THE IMPACT OF COVID-19 ON THE GLOBAL INSURANCE SECTOR

The IAIS’ global risk assessment framework, the GME, adopted in 2019, proved itself a robust and versatile platform. It was quickly repurposed in 2020 to assess the impact of Covid-19 on the global insurance sector, while at the same time establishing a streamlined data collection to provide operational relief to involved participants. The key areas of focus were the impact of the pandemic on the solvency, profitability, liquidity, assets and liabilities of insurers.

The GME consists of two key components: (1) Individual Insurer Monitoring (IIM), which builds on the analysis of data collected from individual insurers; and (2) Sector-Wide Monitoring (SWM), which builds on the analysis of data collected from insurance supervisors.

The IIM data collection applies to groups meeting the insurer pool criteria relating to size and global activity. The insurer pool consists of approximately 60 of the largest international insurers from 18 jurisdictions. The SWM data collection covers aggregate insurance market data collected from IAIS Members from 28 jurisdictions, covering more than 90% of global gross written premiums.

To repurpose the GME for the targeted Covid-19 risk assessment, the annual quantitative data set was adapted to focus on information relevant to monitoring the impact of Covid-19. The data items focused on the impact of the pandemic on assets, liabilities, solvency, profitability and liquidity. The frequency of data collections was also increased, collecting data with reference dates year-end 2019, quarter 1, quarter 2 and quarter 4 of 2020. Both individual insurers and supervisors participated in this targeted assessment.

At year-end 2020, outcomes of the IAIS’ Covid-19 targeted assessment were reported to key stakeholders, including the public (in the Global Insurance Market Report (GIMAR)), participating insurers and supervisors, and the Financial Stability Board (FSB).

Following a significant initial shock to the financial market, the global insurance sector has demonstrated both operational and financial resilience.
High-level results of the GME

High-level results, published in the 2020 GIMAR, Covid-19 edition, indicated that although the financial market volatility caused by the Covid-19 crisis in the first half of 2020 did affect the global insurance sector’s solvency and profitability (primarily through its impact on assets), insurers’ available capital resources generally remained well above requirements. Following a significant initial shock to the financial market, the global insurance sector has demonstrated both operational and financial resilience, aided by supervisory measures providing operational relief and unprecedented monetary and fiscal support measures in certain regions.

For non-life insurance, lines of business that were most negatively affected were event cancellation, travel, business interruption and credit insurance. For insurers with diversified liability portfolios, this negative impact was offset by increased underwriting profits due to lower economic activity in other lines of business such as motor insurance.

The life insurance sector was mainly impacted by the decreasing interest rates in most regions, resulting in declining profits alongside heightened reinvestment risk. Several life insurers noted that business transformation is in process due to the low interest rate environment, together with life insurance repricing.

Looking ahead

Vulnerabilities remain, including the potential for decreasing credit quality of insurers’ fixed-income portfolios and the consequences of the deepened low-yield environment, especially given uncertainty about the duration, ongoing impact and developments of the Covid-19 crisis. Further impact also depends on the future path of financial markets and interest rates, which, in turn, depend on further monetary and government support measures. In 2021, the IAIS will continue to actively monitor the impact of the pandemic on the global insurance sector through targeted risk assessments involving insurers and supervisors worldwide.

Fostering Supervisory Exchange during the Crisis

Helping our Members respond to the Covid-19 pandemic has been a key priority for the IAIS since the beginning of the crisis. The launch of a Members survey, collecting key regulatory, supervisory and financial policy measures taken in responses to Covid-19, was one of the first activities undertaken. The information was collected to facilitate information exchange amongst insurance supervisors and identify common approaches and potential areas for coordinated responses by the IAIS. Starting in March 2020, IAIS Members from all over the globe began submitting responses to the IAIS survey.

The noted supervisory responses to Covid-19 primarily focused on strengthening the operational resilience of insurers, prudential measures aimed at capital preservation and enhanced risk management and reporting, as well as conduct of business measures aimed at ensuring the continued fair treatment of customers.

The survey responses were made immediately available to all Members, whilst the IAIS Secretariat developed an electronic database to provide Members with a simplified and more detailed way to both share and interact with the data collection. The updated database of Covid-19 related policy and supervisory measures, providing more efficient submission, more effective search of measures and an interactive dashboard to display an overview of submissions on an aggregate basis according to selected categories and regions, was launched at end-2020.

The database currently contains over 130 submissions with information from more than 70 jurisdictions, available to IAIS Members.

Development of Liquidity Metrics

As part of the GME, the IAIS’ risk assessment framework, the IAIS also monitors liquidity risk. Capturing liquidity risk in the insurance sector is a complex task due to the many dimensions to consider, such as heterogeneity of insurance products and their liquidity profiles, different liquidity needs of various insurance business models (eg, reinsurers, life and non-life insurers), fungibility of assets, comparability across regions, choice of a time horizon and the consideration of capital instruments. The IAIS is developing liquidity metrics as an ancillary indicator in the context of the IIM. They will not be a binding requirement, rather a monitoring tool that will help identify trends in insurer and insurance-sector liquidity.

The liquidity metrics will serve as a tool to facilitate the monitoring of the global insurance industry’s liquidity risk and is important as insurers have been exposed to liquidity shortfalls in previous crises. The metrics highlight potential vulnerabilities, risk drivers, and trends of insurers and the insurance sector.

The IAIS has split the development of liquidity metrics into two phases:

- During Phase 1 (2020-2021), the IAIS has been developing an Insurance Liquidity Ratio (ILR), which uses an exposure approach. In November 2020, the IAIS launched for public consultation the “Development of Liquidity Metrics: Phase 1 - Exposure Approach”;

- During Phase 2 (2021-2022), the IAIS will develop other liquidity metrics, including a company projection approach that utilises insurers’ projections of cash flows. The IAIS is planning to consult on these additional liquidity metrics in November 2021.
The Covid-19 crisis highlighted the importance of a resilient insurance sector and efficient, coordinated supervision, particularly in a global setting. The standards adopted by the IAIS in November 2019, including the Holistic Framework and ComFrame, have provided a common language and additional tools in the supervisory toolkit to support a coordinated approach to insurance group supervision.

Following the multi-year process for reviewing and revising the Insurance Core Principles (ICPs) and developing ComFrame, IAIS standard-setting activities in 2020 focused on developing supporting material and on the Insurance Capital Standard (ICS), with the commencement of the five-year monitoring period.

The Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) was adopted in November 2019 and establishes supervisory standards and guidance focusing on the effective group-wide supervision of internationally active insurance groups (IAIGs). It is a comprehensive and outcome-focused framework aimed at facilitating effective group-wide supervision of IAIGs, by providing qualitative and (in a future phase, through the ICS) quantitative supervisory minimum requirements tailored to the international activity and size of IAIGs.

In line with ComFrame standards in ICP 23 (Group-wide Supervision), group-wide supervisors (GWS) are responsible for the identification of IAIGs, in cooperation with other involved supervisors, after considering whether a group meets certain size and international activity criteria. The IAIS monitors the identification of IAIGs and the progress made by relevant GWSs with the public disclosure of IAIGs. The identified IAIGs are reflected in the public register available on the IAIS website.

Preparations for assessing the implementation of ComFrame will also soon commence with the actual assessment activities, to begin in 2023.

Following the adoption of ComFrame, the IAIS published in July 2020 a register of IAIGs that GWSs have publicly disclosed. The register, which is updated on a regular basis, also provides information on its completeness, including a comparison of the number of publicly disclosed IAIGs with the total number of IAIGs that GWSs have identified.

Supervisory cooperation is paramount to the efficient supervision of IAIGs and the resilience of the sector. Accordingly, the relevance of a global insurance capital standard for IAIGs became even more evident in the face of the pandemic, to provide the quantitative component of ComFrame.

As part of ComFrame, the IAIS developed the ICS, which aims to provide a globally comparable risk-based measure of capital adequacy of IAIGs and a common language to facilitate effective supervisory discussions of group solvency.

2020 marked the first year of the five-year monitoring period for ICS Version 2.0. During the monitoring period, the ICS is being used for confidential reporting to GWSs and discussion in supervisory colleges. The results will not trigger any supervisory action.

During this initial year of monitoring, the IAIS received, for the first time, feedback resulting from discussions amongst GWSs and supervisory colleges about ICS performance. This substantial and helpful feedback has contributed to changes and clarifications to the development of the ICS. To facilitate ICS discussions within supervisory colleges, the IAIS provided each GWS with a package of material that included a report (or dashboard) of ICS results for its volunteer groups (those groups participating in ICS confidential reporting – they may be IAIGs or other interested groups), as well as guidance material to understand the results and questionnaires on the performance of the ICS, including any challenges with applying the specifications.
Despite the operational challenges of 2020, participation and engagement from volunteer groups remained strong. Operational relief was granted to volunteer groups through an extension of the deadline for submitting data. In addition, the IAIS increased support during the reporting period by hosting monthly calls to discuss reporting progress and any concerns raised by volunteer groups. The IAIS continues to encourage participation across different jurisdictions and business models to ensure that the ICS captures risk appropriately for all IAIGs. The Covid-19 pandemic provided a valuable lens through which to assess the performance of the ICS and evaluate the importance of a global insurance standard in periods of global stress. Further observations from the stressed conditions of 2020 will provide valuable information for any further refinements of the ICS.

Assessment of comparable outcomes
In parallel to the ICS monitoring period, the IAIS issued a public consultation on a draft definition of comparable outcomes and high-level principles to inform the development of the criteria that will be used to assess whether the Aggregation Method (AM), being developed by the United States and other interested jurisdictions, provides comparable outcomes to the ICS. The criteria will be developed in such a manner that the AM is neither precluded at the outset as an outcome-equivalent approach to the ICS for measuring group capital nor given a free pass.

If deemed comparable, the AM will be considered an outcome-equivalent approach for implementing the ICS as a prescribed capital requirement. The IAIS aims to be in a position by the end of the monitoring period to assess whether the AM provides comparable outcomes to the ICS.

The Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Global Insurance Sector (Holistic Framework) was adopted by the IAIS in November 2019. It consists of three key elements: an integrated set of supervisory policy measures for macroprudential purposes, a global monitoring exercise, and implementation assessment activities.

During 2020, the IAIS and its Members have progressed well with the implementation of the Holistic Framework. In response to the Covid-19 pandemic, the IAIS, together with the Financial Stability Board (FSB), took steps to provide operational relief to insurers and supervisors by extending certain deadlines and conducting a Covid-19 targeted assessment in place of the regular global monitoring exercise.
2020 marked the first year of activity under the IAIS’ 2020-2024 Strategic Plan. After an intensive period of standard setting in the preceding years, the IAIS shifted focus to support its Members in implementing those standards, as well as in proactively responding to risks and opportunities arising from key global trends. These trends include advances in digital innovation, shifts in consumer behaviour, societal challenges, cyber risk and climate risk, all of which have the potential to reshape the business of insurance in the coming years. Fallout from the pandemic has reaffirmed the relevance of our post-crisis reforms, accelerating previously identified strategic trends.

The IAIS supports its Members by sharing good supervisory practices and facilitating understanding of key supervisory issues. IAIS supervisory support activities are multifold and include developing Issues and Application Papers and facilitating the sharing of experiences and practices amongst supervisors.

In 2019, the IAIS reached significant milestones on its post-financial crisis reform agenda with the adoption of a set of revised Insurance Core Principles (ICPs), the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) and the Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector (Holistic Framework). In 2020, the IAIS shifted towards supporting Members with the practical implementation of these agreed reforms.

Supervisory cooperation and coordination

Following the finalisation of the revised ICPs and the adoption of ComFrame in November 2019, the IAIS began the revision of the Application Paper on Supervisory Colleges in 2020. The paper was initially published in October 2014 and is being updated to reflect subsequent developments of IAIS supervisory material, in particular revisions to ICP 3 (Information Sharing and Confidentiality Requirements) and ICP 25 (Supervisory Cooperation and Coordination) and the related ComFrame standards. The Paper is also being revised to reflect up-to-date supervisory practices related to the organisation and functioning of supervisory colleges. It is expected to be released for public consultation and subsequently adopted in 2021.

Macroprudential supervision and liquidity

The Holistic Framework encompasses an enhanced set of supervisory policy measures for macroprudential purposes, designed to increase the overall resilience of the insurance sector and help prevent insurance sector vulnerabilities and exposures from developing into systemic risk. This includes new and revised standards in several ICPs and associated standards in ComFrame. For instance, the Enterprise Risk Management (ERM) requirements in ICP 16 (Enterprise Risk Management for Solvency Purposes) have been enhanced to address liquidity risk more explicitly, and ICP 24 (Macroprudential Supervision) has been updated to address more explicitly the build-up and transmission of systemic risk at the individual insurer and sector-wide level.

Resolution

Recovery and resolution frameworks help reduce the likelihood of a disorderly failure of insurers, as well as the potential adverse impacts of such a failure on policyholders and/or financial stability. ICP 12 (Exit from the Market and Resolution) and the ComFrame material integrated therein set out the relevant requirements for resolution.

In November 2020, the IAIS launched the public consultation of an Application Paper on Resolution Powers and Planning. The Paper provides guidance for supervisors and resolution authorities in implementing a resolution framework, including setting-up powers, as well as planning and issues around coordination and cooperation. The Paper also includes examples of ways in which IAIS Member jurisdictions have integrated (or are in the process of integrating) resolution powers into legislation.

The IAIS supplements its supervisory standards with supporting material focused on the practical application of supervisory measures or the identification of related regulatory and supervisory issues.
The IAIS Strategic Plan focuses on specific themes, driven by trends and developments in insurance markets and supervisory organisations. Many of these trends are areas of common interest with other standard-setting bodies, but also have a particular insurance sector perspective with the potential to impact both our developed and emerging market Members. The Covid-19 pandemic has amplified some trends, or aspects thereof, even faster than expected.

**Culture, conduct and governance**

Understanding the various elements that make up an insurer’s culture, and which inform decisions, behaviours and practices across an insurer’s business, can be critical in helping supervisors identify and address prudential and conduct issues in a timely and effective manner. This could help mitigate the occurrence of widespread misconduct and possible financial and consumer harm and strengthen overall public confidence in the insurance sector.

During 2020, the IAIS advanced work on an Issues Paper on Insurer Culture. The aim of the paper is to explore the role of insurer culture as a gateway to managing prudential and conduct risks, using examples from various jurisdictions to illustrate this role against the backdrop of the ICPs. The Paper is scheduled for public consultation and adoption in 2021.

**Combating money laundering and terrorist financing**

Supervisors must understand the risk of money laundering and terrorist financing to the insurance sector and take steps to help combat such risk. For example, money laundering and terrorist financing expose the insurance sector to legal, operational and reputational risks. In 2020, the IAIS commenced revision of the previous Application Paper on Combating Money Laundering and Terrorist Financing to provide additional guidance regarding money laundering and terrorist financing risks affecting the insurance industry.

The IAIS originally published the Application Paper in 2013. The current revision will take into account updated recommendations from the Financial Action Task Force ( FATF - the inter-governmental global money laundering and terrorist financing standard setter), the revised FATF Guidance for a Risk-Based Approach in the Life Insurance Sector and the revised ICP 22 (Anti-Money Laundering and Combating the Financing of Terrorism). The Paper will include updates aligning terminology and ensuring consistency with FATF recommendations, as well as new guidance on elements reflected in the latest version of ICP 22. The Paper is scheduled for public consultation and adoption in 2021.

**Transition away from LIBOR**

In 2020, the IAIS cooperated closely with the Financial Stability Board (FSB) to support the financial sector in a smooth and timely transition away from LIBOR (London Inter-bank Offered Rate) by end-2021. The continued reliance of financial markets on LIBOR poses clear risks to global financial stability. Transition away from LIBOR by end-2021 requires significant commitment and sustained effort from both financial and non-financial institutions across many jurisdictions.

On 9 July 2020 the IAIS published a Report on supervisory issues associated with benchmark transition from an insurance perspective. In the report, the IAIS encourages insurance supervisors to strengthen their efforts to facilitate insurers’ transition away from LIBOR. Supervisory recommendations outlined in the report include enhancing identification of transition exposure and remaining transition challenges; supporting facilitation of LIBOR transition; and stepping-up supervisory cooperation and coordination. The wider implementation of the recommendations by insurance supervisors aims to facilitate a more effective and coordinated transition globally.

In 2021 the IAIS will continue to support insurance supervisors in their efforts to facilitate insurers’ transition away from LIBOR.

Many trends IAIS focuses on are areas of common interest with other standard-setting bodies, yet also have a particular insurance sector perspective with the potential to impact both our developed and emerging market Members.
Supervisors are called upon to consider collaborative and proportionate responses to these issues, maintaining a balance between supporting innovation and ensuring fair and responsible deployment of technology across the insurance value chain.

Targeted surveillance activities by the FinTech Forum
The FinTech Forum is a virtual forum of technical experts from the IAIS’ diverse membership. It serves as a platform to share practical insights and experiences on FinTech-related developments influencing the insurance sector and insurance supervisors globally.

Following a temporary pause in activities due to operational challenges created by the Covid-19 crisis in the first half of 2020, the IAIS resumed its work in late 2020. The FinTech Forum established three dedicated workstreams to conduct targeted surveillance on the deployment of the following technology applications across the insurance sector:

- Artificial Intelligence, Machine Learning and Data Analytics
- Application Programming Interfaces and Open Data
- Distributed Ledger Technologies

These surveillance activities are planned to continue into 2021, including the identification of specific use cases under each topic. This will be followed by recommendations on areas for deep dive assessments to understand the implications of these use cases for insurance supervision and the work of the IAIS going forward.

Cyber resilience
Rapid technological change and innovation has dramatically increased the threat of cyber attacks, which has been further compounded by the fallout from Covid-19.

In 2020, the IAIS developed and published a Report on Cyber Risk Underwriting and Identified Challenges and Supervisory Considerations for Sustainable Market Development. The report recognises that as digitisation, interconnectedness and cyber threats continue to expand, cyber insurance is becoming increasingly significant to the non-life insurance market.

The report concluded that current cyber underwriting practices, while serviceable, are not yet optimal, particularly due to issues surrounding the measurement of risk exposures. The nature of cyber risk and the complexity of supply chains may lead to loss accumulation, particularly as regards risks surrounding entities’ reliance on “non-affirmative” (also called “silent”) cyber coverage.

On the supervisory front, the report identified that supervisory intensity (e.g., frequency of assessment) and specific toolbox development (e.g., use of stress tests) are generally proportionate to the relative size of the cyber risk underwriting market, which at the time of the stock-take was generally limited. However, the report concludes that given the potential scale and pace of the future growth of the cyber risk insurance market, it will become increasingly important to address the challenges affecting cyber risk underwriting, such as the measurement of risk exposures, cyber incident reporting and clarity of policy wording.
SHARING SUPERVISORY PRACTICES AND ISSUES

Climate risk
Climate change has the potential to affect individual insurers as well as global financial stability. At the same time, climate change presents opportunities for the insurance sector because insurers play a critical role in managing climate-related risks and are uniquely qualified to understand the pricing of risks. Insurers can also help build climate resilience.

The IAIS is committed to addressing the risks and opportunities associated with climate change and promoting a globally consistent supervisory approach to mitigate the risks to the insurance sector. Specifically, the IAIS’ efforts in this area include extending expertise and developing supervisory practices for understanding and responding to the evolving climate risk landscape.

In February 2020, following public consultation between November 2019 and January 2020, the IAIS and UN-convened SIF published an Issues Paper on the Implementation of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Paper identifies a number of areas where supervisors can encourage strengthened disclosures through the application of existing supervisory tools.

To further support supervisors’ efforts to assess the impact of climate-related risks to the insurance sector and help resolve challenges, including around public disclosure, the IAIS and SIF began developing an Application Paper on the Supervision of Climate-Related Risks in the Insurance Sector. The Paper will be finalised in 2021 and will discuss topics such as enterprise risk management, corporate governance, investments and disclosure.

The IAIS also began development of a deep dive analysis on the potential financial stability implications of insurers’ investment exposures to climate-related risks as part of the IAIS’ Global Insurance Market Report (GIMAR). This will be published in 2021.

Supervisory Practices: Papers, Consultations and Surveys in 2020

THE IAIS PUBLISHED SIX PAPERS AND REPORTS IN 2020:
- Application Paper on Liquidity Risk Management
- Issues Paper on the Implementation of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Issues Paper on the Use of Big Data Analytics in Insurance
- Report on Supervisory issues associated with benchmark transition from an insurance perspective
- Report on Cyber Risk Underwriting, Identified Challenges and Supervisory Considerations for Sustainable Market Development

THE IAIS INITIATED FOUR CONSULTATIONS IN 2020:
- Application Paper on Resolution Powers and Planning
- Application Paper on the Supervision of Climate-related Risks in the Insurance Sector
- Development of Liquidity Metrics: Phase 1 – Exposure Approach
- Draft definition and high-level principles to inform the criteria that will be used to assess whether the Aggregation Method provides comparable outcomes to the Insurance Capital Standard

THE IAIS CONDUCTED THREE TARGETED SURVEYS IN 2020:
- Infrastructure and Strategic equity
- Request for feedback on the Impact of Covid-19
- Supervisory issues associated with Benchmark Transition

Partnership with SIF
Climate risk and sustainability are a key focus for the IAIS, as it impacts insurers’ underwriting and investment activities. Through a close partnership with the United Nations-convened Sustainable Insurance Forum (SIF), the IAIS has been able to make significant progress throughout 2020 in assessing and responding to the risks from climate change. Launched in December 2016, the SIF is a global network of insurance supervisors and regulators working together on climate and sustainability challenges facing the insurance sector.
ASSESSING AND PROMOTING OBSERVANCE OF OUR SUPERVISORY MATERIAL

Globally consistent and effective implementation of the IAIS’ supervisory material is core to the IAIS’ strategic objectives. Members’ efforts to implement the IAIS supervisory material are supported through assessment of observance of IAIS standards, guidance on supervisory practices, promotion of information exchange and supervisory cooperation, and supervisory capacity building.

The IAIS’ Coordinated Implementation Framework (CIF) outlines the pillars supporting the Association’s implementation work:

- An enhanced assessment programme for assessing the observance level of IAIS international standards;
- Cooperation and information exchange among Members through the Multilateral Memorandum of Understanding (MMoU); and
- Assisting Members in building supervisory capacity and sharing good supervisory practices in collaboration with other international organisations and regional forums that share complementary objectives for strengthening insurance supervision. Much of this work is delivered with our key implementation partners, the Access to Insurance Initiative (A2ii) and the Financial Stability Institute (FSI).

The IAIS’ Strategic Plan affirms that the IAIS’ assessment activities include (1) Member reviews; (2) enhanced peer reviews; and (3) self-assessments. In addition to the IAIS’ existing assessment activities, it recognises that more intensive assessments of ComFrame and policy measures forming part of the Holistic Framework for the mitigation of systemic risk in the global insurance sector (Holistic Framework) will be needed. These assessments provide a valuable tool for global implementation of the Insurance Core Principles (ICPs). There is strong demand from the IAIS’ membership for these assessment tools, as evidenced by the 2020 IAIS survey to Members on their implementation needs.

In recognition of the importance of its assessment work, the IAIS established the Standards Assessment Working Group (SAWG) to deliver on these strategic goals. Under the supervision of the SAWG, over 2020, the IAIS has completed:

- Member Assessment Programme (MAP) in Morocco. Planning is currently underway for the next MAP in Mexico (Covid-19 restrictions permitting);
- Peer Review Process (PRP) on ICPs 4 (Licensing), 5 (Suitability of Persons), 7 (Corporate Governance) & 8 (Risk Management and Internal Controls), benefitting from the participation of 71 IAIS Members;
- A second PRP on ICP 19 (Market Conduct), counting 73 Member participants. The results of this PRP will be published in early 2021; and
- The IAIS and the A2ii have worked together to create and launch a beta version of the Self-Assessment Tool (SAT), which should cover an increasing range of ICPs.

The assessment of implementation of the Holistic Framework supervisory material also began in 2020. It is proceeding in phases, having started with a baseline assessment (BLA) and proceeding to more intensive Targeted Jurisdictional Assessments (TJAs) in 2021. The BLA aims to determine the extent to which supervisors have already implemented the Holistic Framework supervisory material, effectively establishing a baseline level of implementation. Assessment tools include a self-assessment questionnaire, an expert review and a supervisor-issued questionnaire, an expert review and a supervisor-issued questionnaire.

For the 2020 BLA, a total of 26 jurisdictions participated, covering over 90% of the global insurance market and representing a geographically balanced sample. Overall, the BLA reflects a high level of observance and indicates that the 26 participating jurisdictions have made good progress with implementing the relevant standards of the Holistic Framework. The 26 jurisdictions include all 16 jurisdictions identified as being a group-wide supervisor of at least one Internationally Active Insurance Group (IAIG). This progress is particularly positive given that it was achieved in the context of the broader challenges of the global Covid-19 pandemic in 2020. The IAIS will publish a high-level report that provides BLA results for each participating jurisdiction at the beginning of 2021.
SUPERVISORY COOPERATION AND
INFORMATION EXCHANGE

The IAIS Multilateral Memorandum of Understanding (MMoU) is a framework that establishes a formal basis for global cooperation and information exchange among insurance supervisors. Before signing the IAIS MMoU, Members undergo a rigorous review process. The IAIS’ Signatories Working Group (SWG) manages the application and approval process.

In September 2020, the IAIS MMoU celebrated a milestone, welcoming Astana Financial Services Authority (Kazakhstan) as the 75th signatory. This achievement signifies the IAIS’ continued effort to increase signatories to the IAIS MMoU since its adoption in February 2007. By year-end 2020, the number of signatories to the IAIS MMoU stood at 76 Members, accounting for 76% of global premiums.

CAPACITY BUILDING

Capacity building is integral to implementing IAIS’ global standards. In collaboration with international organisations and regional associations, the IAIS delivers a global supervisory capacity-building programme that supports its diverse and global membership in implementing its supervisory material.

The IAIS is particularly committed to helping its Members from jurisdictions considered emerging markets and developing economies (EMDE). Building on the activities from previous years to support EMDE Members, the IAIS focussed its EMDE engagement in 2020 on:

- Regular virtual meetings of EMDE Members, including updates from key implementation partners and regional coordinators;
- Updates to EMDE Members on progress with the IAIS’ projects and activities, such as application papers or implementation and assessment monitoring exercises; and
- Targeted consultations with EMDE Members on the IAIS’ annual work programme, including emerging topics such as Covid-19, including strategic and emerging topics.

Additionally, throughout 2020, relevant information was shared amongst EMDE Members to support effective supervisory responses to issues arising from the Covid-19 pandemic.

Close partnership with the FSI and the A2ii allow the IAIS to continuously extend its geographical reach and enhance capacity-building events, in particular for EMDEs.
PARTNERSHIP WITH THE ACCESS TO INSURANCE INITIATIVE

The Access to Insurance Initiative (A2ii) is a multi-stakeholder partnership between the IAIS, international development agencies and donor organisations, including the international development branches of the German (BMZ) and Dutch (DGIS) governments. It acts as the IAIS “implementation arm” on inclusive insurance, working directly with supervisors to deepen their understanding of a supervisor’s role in supporting access to, and usage of, insurance for low-income and other excluded populations while meeting IAIS standards.

Throughout 2020, the A2ii worked with the IAIS to assess and respond to supervisory needs arising from the Covid-19 pandemic. As the IAIS’ implementation partner, the A2ii played an important role in addressing the protection gaps and new capacity-building gaps exposed by the crisis.

**Covid-19 support**

In partnership with the IAIS, the A2ii organised nine additional webinars on the pandemic and its implications for insurance supervisors. These webinars drew on expertise from supervisory authorities, the insurance industry and other intergovernmental organisations such as the United Nations (UN), Organisation for Economic Co-operation and Development (OECD), and World Bank, and shared insights on topics such as supervisory responses, consumer protection, digitalisation, and the protection gap. The webinars attracted over 1,400 participants from 120 jurisdictions.


During the year, the A2ii quickly adapted all of its core training activities to a virtual format using existing capabilities and simultaneously worked toward developing a new training platform (Connect.a2ii) that is scheduled to be launched in 2021.

### A2II-IAIS WEBINAR SERIES ON THE COVID-19 PANDEMIC AND ITS IMPLICATIONS FOR INSURANCE SUPERVISORS

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### A2II-IAIS PANDEMIC RISKS WEBINAR SERIES

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ASSESSING AND PROMOTING OBSERVANCE OF OUR SUPERVISORY MATERIAL

Core activities in 2020

Inclusive Insurance Innovation Lab
The Inclusive Insurance Innovation Lab (iii-lab) is an international capacity-building programme that brings together teams from four countries to work on innovative solutions for advancing the development of their insurance markets. The 2020-2021 lab was also moved online after mid-March and continued to be held successfully with country teams from Argentina, India, Morocco and Rwanda.

Key Performance Indicators Project
In 2020, the A2ii launched the Supervisory KPIs Lexicon, a searchable directory of supervisory key performance indicators (KPIs) covering prudential soundness, market conduct, insurance market development and the Sustainable Development Goals. This tool is a product of a two-year regional project with supervisors from Sub-Saharan Africa to build capacity on supervisory offsite monitoring, in line with ICP 9 (Supervisory Review and Reporting), while also addressing evolving topics such as sustainable development (see background paper).

INCLUSIVE INSURANCE TRAINING PROGRAMME
FOR INSURANCE SUPERVISORS
In 2020, the flagship A2ii-IAIS-Toronto Centre Inclusive Insurance Training Programme, normally hosted by supervisors in their different regions, took place virtually for supervisors in Asia and the Caribbean.

<table>
<thead>
<tr>
<th>Date</th>
<th>Region</th>
<th>Location</th>
<th>Participants</th>
<th>Jurisdictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10 September 2020</td>
<td>Asia</td>
<td>Virtual</td>
<td>25</td>
<td>12</td>
</tr>
<tr>
<td>28 September - 8 October 2020</td>
<td>Caribbean</td>
<td>Virtual</td>
<td>33</td>
<td>14</td>
</tr>
</tbody>
</table>

A2ii-IAIS Dialogues
The A2ii-IAIS Dialogues (formerly Consultation Calls) are bi-monthly topic-focused webinars for insurance supervisors. The Dialogues are presented in English, French and in Spanish and are scheduled to cater to several time zones. Additional Dialogues, both public and supervisory, were added this year to incorporate Covid-19 related topics (see chart on prior page).

Presentations and recordings are published on the A2ii website (www.a2ii.org).

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 January 2020</td>
<td>Climate risk insurance for the underserved and vulnerable: what is the role of insurance supervisors to foster its responsible development?</td>
</tr>
<tr>
<td>19 March 2020</td>
<td>Putting the consumer at the heart of digitalisation of the insurance value chain</td>
</tr>
<tr>
<td>17 September 2020</td>
<td>Risk-based capital regimes in emerging markets</td>
</tr>
<tr>
<td>22 October 2020</td>
<td>Formalisation and Licensing Regimes</td>
</tr>
<tr>
<td>26 November 2020</td>
<td>Supervisory issues related to closing the retirement protection gap</td>
</tr>
</tbody>
</table>
ASSESSING AND PROMOTING OBSERVANCE OF OUR SUPERVISORY MATERIAL

The IAIS has a long-standing partnership with the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) to advance the implementation of insurance standards at a global scale.

FSI Connect and the FIRST ONE Programme

As a partner to the FSI, the IAIS has contributed to developing insurance content on the supervisors-only e-learning platform FSI Connect. 2020 saw the release of FSI Connect tutorials on key IAIS priorities covering ComFrame, the global Insurance Capital Standard (ICS), IFRS 17 and cyber security. Tutorials on the Insurance Core Principles (ICPs) and insurer corporate governance were updated to reflect changes in IAIS' supervisory materials. Also, in 2020, the FSI - with support from the IAIS - published Executive Summaries on the different components of the ICS (overview, life insurance risk charges, non-life insurance risk charges, market risk charges, credit charges and market-adjusted valuation) and the Holistic Framework.

The seventh cohort of the FIRST ONE Programme, a unique insurance supervisors’ training programme designed to provide a core understanding of insurance supervision to those new to this sector, launched with a record number of 436 participants from 61 jurisdictions. Delivered yearly, the FIRST ONE Programme uses a combination of FSI Connect online tutorials and webinars to cover foundational topics on insurance supervision. This programme consistently receives positive reviews from IAIS Members and is particularly praised for its accessibility and up-to-date content.

Policy implementation publications

As part of the FSI Insights series, the FSI published two papers with insurance sector relevance:

No. 23 “Policy responses to fintech: a cross-country overview” provides a cross-country overview of regulatory responses that selected jurisdictions worldwide have taken with respect to FinTech developments;

No. 26 “Accounting standards and insurer solvency assessment” explores the use of accounting standards for insurer solvency assessment in the context of the implementation of IFRS 17. This was the first joint FSI-International Monetary Fund (IMF) publication by its staff members.

In early 2020, the FSI Brief series was launched to provide a structured overview of the policy actions taken by financial sector authorities in response to the Covid-19 pandemic. The Briefs with content related to the insurance sector are:

No. 2 “Covid-19 and operational resilience: addressing financial institutions’ operational challenges in a pandemic”;

No. 4 “Insurance regulatory measures in response to Covid-19”;

No. 7 “Financial crime in times of Covid-19 – AML and cyber resilience measures”.

HIGH-LEVEL MEETINGS

In 2020, the FSI had to adapt its activities to the conditions arising from the Covid-19 pandemic. Its outreach events moved to an entirely virtual format and included a broad focus on Covid-19 related regulatory issues and supervisory challenges as pandemic policy measures were implemented.

Against this background, the IAIS and the FSI collaborated with IAIS Members to organise two virtual high-level meetings for the Asian and Latin American insurance supervisors during 2020.

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 July 2020</td>
<td>4th high-level meeting on global insurance standards and supervisory priorities in the Americas jointly organised by the IAIS, the FSI and the Latin American Association of Insurance Supervisors (ASSAL)</td>
</tr>
<tr>
<td>1 December 2020</td>
<td>3rd Asia-Pacific high-level meeting on insurance supervision jointly organised by the Asian Forum of Insurance Regulators (AFIR), the FSI and the IAIS</td>
</tr>
</tbody>
</table>

REGIONAL TRAINING SEMINARS

The IAIS and FSI co-organised three virtual seminars during 2020.

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Seminar Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10 July 2020</td>
<td>Virtual seminar on key elements of IAIS standards on insurance supervision jointly organised with the China Banking and Insurance Regulatory Commission (CBIRC)</td>
</tr>
<tr>
<td>25 September and 1 October 2020</td>
<td>Regional seminar for insurance supervisors in the Asia Pacific region on cyber security and data protection jointly organised with the ASEAN Insurance Training &amp; Research Institute and the A2ii</td>
</tr>
<tr>
<td>25 September and 1 October 2020</td>
<td>Regional seminar for insurance supervisors in Sub-Saharan Africa on cyber security and data protection jointly organised with the South African Reserve Bank and the A2ii</td>
</tr>
</tbody>
</table>
Stakeholder engagement is essential to the IAIS’ ability to deliver on its mandate. Effective two-way dialogue between the IAIS and its stakeholders helps us better understand market developments, engage on key emerging trends, provide a platform for international exchange on insurance supervision and ensure a range of stakeholders feed into our work. The pandemic highlighted the particular importance of effective, transparent and regular engagement, both in terms of building-up trust pre-crisis, and enabling rapid and coherent action during a crisis. IAIS stakeholder engagement takes several forms: IAIS-hosted events such as our Global Seminar and Annual Conference (our annual milestone events), regular consultation calls and bilateral meetings, as well as active participation in Member- and stakeholder-initiated regional events, international conferences and media interviews.

In response to the Covid-19 pandemic, the IAIS has needed to shift from regular stakeholder events to a wholly virtual approach. One benefit that has become apparent is our increased reach to a broader group of stakeholders – engagement has become more inclusive and participative in many respects. However, there are also several downsides to virtual events. Therefore, looking ahead, in the “new normal” after pandemic restrictions are lifted, the IAIS expects to find a balance between a return to in-person engagement together with a continuation of the virtual engagement it pioneered during 2020.

During 2020, the IAIS continued to find ways of engaging with Members and stakeholders on the emerging risks unfolding in the insurance sector as the impact of the pandemic evolved. The Global Seminar (25 June 2020) and Annual Conference (4-5 December 2020) were transformed to a virtual format with great success, attracting more than 500 and 720 attendees, respectively. These events engaged Members and stakeholders on pandemic-related topics, other focus topics of the IAIS and questions about planned future work. Panel discussions during the Annual Conference focused on climate risk and addressing the protection gap, providing a platform to discuss these critical issues and their impact on the insurance sector.

The virtual format, coupled with playback options, made these events more inclusive than our previous in-person only meeting format. As we resume in-person meetings, we will want to ensure we are able to maintain a more inclusive approach. The post-conference survey showed that more than 98% of respondents believed that the Annual Conference was “good” to “excellent”. Feedback from these surveys will help us make further improvements for future events, including actions to make them more interactive.

Videos and slide presentations from IAIS events are available on the IAIS website.

Effective two-way dialogue between IAIS Members and stakeholders helps us better understand market developments, engage on key emerging trends, provide a platform for international exchange on insurance supervision and ensure a range of stakeholders feed into our work.
BUILDING CONNECTIONS

STAKEHOLDER ENGAGEMENT

As events became virtual, our leadership team continued to engage with stakeholders at conferences and workshops. We undertook more than 45 external speaking engagements during 2020, reaching thousands of stakeholders worldwide, ensuring broad transparency and addressing a wide range of stakeholder issues. In addition, the virtual format of meetings enabled us to provide recordings online, for those who could not attend in real-time.

During 2020, we held 10 stakeholder consultations and workshops to seek feedback on our work. The meetings covered various issues, including liquidity metrics, climate risk, resolution, big data, the Insurance Capital Standard (ICS) and accounting and auditing.

We held our first CRO Roundtable in June, which provided an integral part of the Global Monitoring Exercise (GME) and helped shape the IAIS Roadmap, setting out our work priorities.

Additionally, we held various bilateral meetings with trade associations, insurers and other stakeholders to support our work and better understand insurance market developments.

In 2020, the IAIS put a strong focus on expanding its LinkedIn presence to keep Members and stakeholders up-to-date with IAIS activities in a more timely fashion. Results have been encouraging with increased followers and high engagement.

SOCIAL MEDIA AND IAIS NEWSLETTER

Developing IAIS communication channels beyond events ensures ongoing engagement and that all stakeholders are informed about IAIS activities and actions in a timely manner.

The IAIS Newsletter is published 10 times per year. With a readership of over 1,700 per issue, it is a vital communications resource for both internal and external stakeholders. In 2020, readers were surveyed for their thoughts on the Newsletter and to gauge what could be enhanced to improve knowledge and understanding of IAIS activities. Survey participants displayed a high level of satisfaction with the Newsletter. The vast majority of survey participants shared a positive view of content, layout and frequency. Suggestions for improvement included expanding information on IAIS ongoing work. This feedback is being implemented in a stepwise approach with new and expanded Newsletter sections.

In 2020, the IAIS put a strong focus on expanding its LinkedIn presence to leverage it as a real-time communication channel. News, events, publications and announcements are now posted consistently, and partner events and activities are often highlighted. Results have been encouraging: IAIS LinkedIn followers have doubled in one year and shown higher than average engagement.

Find the IAIS Newsletter here and the IAIS LinkedIn here.

In 2020, the IAIS put a strong focus on expanding its LinkedIn presence to keep Members and stakeholders up-to-date with IAIS activities in a more timely fashion. Results have been encouraging with increased followers and high engagement.
A LOOK AHEAD

The IAIS demonstrated through the course of 2020 its ability to progress key initiatives while working remotely and holding all meetings virtually. Noting that uncertainties linked to Covid-19 persist, the Secretariat will need to remain flexible and incorporate lessons learned as we adapt to a “new normal”.

Beyond 2020, we will continue to advance our mission of fostering policyholder protection – both through prudential and market conduct supervision – and contributing to global financial stability by assessing and mitigating systemic risk in the global insurance sector.

There are four main components of the work programme for 2021 and beyond:

RISK ASSESSMENT AND THE MAINTENANCE OF FINANCIAL STABILITY

Risk assessment will continue to be a key activity going forward. In 2021, following the repurposing of the exercise to focus on Covid-19 in 2020, the Global Monitoring Exercise (GME) will return to regular data collection (including data from both 2020 and 2021). Work will continue developing the liquidity metrics as an ancillary indicator for the GME Individual Insurer Monitoring (IIM). In 2021, the IAIS will also publish a Global Insurance Monitoring Report (GIMAR) special topic focused on climate risk and financial stability.

DELIVERING ON KEY POST-CRISIS REFORMS

Our experience during the Covid-19 crisis has highlighted the importance of the reforms we have embarked upon since the 2008 financial crisis, such as the Insurance Capital Standard (ICS) and the Holistic Framework. On the ICS, we will continue with the execution of the remaining four years of the five-year monitoring period, initiated during 2020. During this period, the ICS data will not trigger any supervisory action, rather it is being used for confidential reporting and discussion within supervisory colleges to contribute to the IAIS’ assessment of ICS performance. Feedback from supervisors, ongoing data analysis, public consultations and interactions with stakeholders will continue to be important going forward and will guide the further refinement of the ICS prior to its implementation as a Prescribed Capital Requirement (PCR) at the end of 2024. We will also continue with the preparation of the assessment of whether the aggregation method provides comparable outcomes to the ICS with the development and consultation of the criteria.

IMPLEMENTATION SUPPORT AND ASSESSMENT

Reinforcing – together with our implementation partners – our extensive programme of Member support to help insurance supervisors implement our standards through training, peer exchange platforms and implementation assessment exercises will be an essential part of our work in the coming years. We will achieve a significant milestone by delivering the baseline assessment for the supervisory material of the Holistic Framework (BLA) in 2021. Building off the BLA, the IAIS will also commence the Targeted Jurisdictional Assessment (TJA) to ensure comprehensive review of the consistent and effective implementation of the Holistic Framework supervisory material.
A LOOK AHEAD

ADDRESSING THE RISKS AND OPPORTUNITIES OF ACCELERATING TRENDS

Looking ahead, we will continue to actively assess and propose responses to the risks and opportunities of accelerating trends as highlighted in the Supervisory Practices section of this report.

In the area of climate risk, the IAIS – in partnership with the UN-convened Sustainable Insurance Forum – will finalise an Application Paper that provides a comprehensive guide for supervisors on how to address the challenges and opportunities arising from climate change within the framework of our Insurance Core Principles (ICPs) and encourages the adoption by the insurance sector of Task Force on Climate-Related Disclosures (TCFD) recommendations. As we advance, the IAIS’ climate change work will focus on addressing several prudential and financial stability risks and supporting our Members in addressing climate-related risks. Specific activities will include risk assessment, risk management and avoiding fragmentation.

To address the rapid acceleration of technological innovation, we will look at key trends and developments related to the deployment of Supervisory Technology (SupTech) by insurance supervisors and reinitiate the activities of our virtual FinTech Forum, with activities planned in the areas of Artificial Intelligence, Machine Learning and Data Analytics among others.

The importance of operational resilience for insurers has only become more evident in the last year. In response, the IAIS will develop guidance on ensuring effective insurance supervision in the new post-Covid “normal” of virtual business and digital transformation. We will also focus on cyber risk and outsourcing issues, including outsourcing to third party information technology and cloud providers.

We will deepen our focus on the importance of conduct and culture for insurance supervisors, policyholders and the sector as a whole. Effective insurer cultures that support both sound prudential management and the fair treatment of customers are crucial to strengthening and maintaining public trust and confidence in the sector. In 2021, the IAIS will carry out activities to encourage a more integrated approach to prudential and conduct supervision, including an examination of the importance of insurer culture and the use of key indicators to assess insurer conduct. We will also consider developing supplementary guidance or supervisory material to help strengthen conduct frameworks in responding to accelerating and emerging consumer risks relating to, for example, digital transformation and climate change.

Exploratory work on issues related to Diversity, Equity and Inclusion (DE&I) will soon begin. While the scope of the work is still to be determined, the IAIS may look at the aspects of DE&I related to governance and business models of insurers, as well as elements of DE&I in the internal organisation and processes of supervisors. The outcome of the exploratory work will be presented in a report expected to be published at the end of 2022.

As can be gathered from the descriptions above, the IAIS will progress a rich programme of activities as part of our work programme 2021-2022. To support these goals and best serve Members, stakeholders and the society well into the future, the IAIS will also focus on further enhancing the Secretariat’s operational strength and capacity over the coming year. And, finally, as we move forward, we will do so in a way always mindful of the evolving challenges and many learnings resulting from the Covid-19 pandemic.
IAIS 2020 IN NUMBERS

PUBLISHED

- 2 Issues Papers
  - Issues Paper on the Use of Big Data Analytics in Insurance
  - Issues Paper on the Implementation of the TCFD Recommendations
- 1 Application Paper
  - Application Paper on Liquidity Risk Management
- 3 Reports
  - Supervisory issues associated with benchmark transition from an insurance perspective (LIBOR)
  - Cyber Risk Underwriting
  - GiMAR, Covid-19 edition
- IAIS Environmental Policy
- Public Register of IAIGs

WELCOMED

- 5 new IAIS Members
  - Angolan Insurance Regulation and Supervision Agency
  - Financial Services Regulatory Authority of Ontario (Canada)
  - International Financial Services Centres Authority (India)
  - National Bank of Ukraine
  - Insurance and Pensions Commission (Zimbabwe)
- 3 new signatories to MMoU
  - Louisiana Department of Insurance
  - Astana Financial Services Authority (Kazakhstan)
  - Superintendencia de Seguros de la Nacion Argentina

SUPPORTED

- 7th FIRST ONE programme with over 460 participants from 60 jurisdictions
- 9 IAIS-A2ii special webinars on:
  - Covid-19 pandemic and implications for insurance supervisors (6)
  - Pandemic risks (3)
  - 1400+ participants from 120 jurisdictions
- IAIS-FSI webcast on business interruption insurance in light of Covid-19
  - 268 participants from 51 jurisdictions
- 2 IAIS-FSI high-level meetings and 3 IAIS-FSI virtual seminars

LAUNCHED

- 2 Task Forces
  - Infrastructure Task Force (ITF)
  - Operational Resilience Task Force (ORTF)
- 8 Public consultations and surveys
- 6 Member consultations and surveys
- Finalised Peer Review Process (PRP) on ICPs 4, 5, 7 and 8; launched PRP on ICP 19
- Member Assessment Process: Morocco
- Baseline assessment of implementation of the Holistic Framework supervisory material
- Global Monitoring Exercise, repurposed to assess the impact of Covid-19
- Dashboard to monitor risks on financial markets

ENGAGED

- First virtual Global Seminar
  - 500 attendees
- First virtual AGM/AC
  - 720 attendees
- 11 Stakeholder consultations and workshops
- Roundtable with CROs
- Participated in 45+ external speaking engagements at ~30 partner/stakeholders events
- Member of SIF, FSB Financial Innovation Network and NGFS
- Key implementation partners - A2ii, FSI and Toronto Centre

COMMUNICATED

- 14 Press Releases
- 8 IAIS Newsletters
- 2019 Annual Report
- 4.1M webpage visits
- 635K downloads
- 2020 LinkedIn followers
## BALANCE SHEET
### AT 31 DECEMBER 2020
#### (IN SWISS FRANCS)

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
<td>8,825,291</td>
</tr>
<tr>
<td>6</td>
<td>Other short-term receivables</td>
<td>117,745</td>
</tr>
<tr>
<td>7</td>
<td>Prepaid expenses and accrued income</td>
<td>89,425</td>
</tr>
<tr>
<td></td>
<td>TOTAL CURRENT ASSETS</td>
<td><strong>9,032,461</strong></td>
</tr>
<tr>
<td></td>
<td>TOTAL ASSETS</td>
<td><strong>9,032,461</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liabilities and equity</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Other short-term liabilities</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Accrued expenses and deferred income</td>
<td>2,096,379</td>
</tr>
<tr>
<td></td>
<td>TOTAL LIABILITIES</td>
<td><strong>2,096,379</strong></td>
</tr>
<tr>
<td></td>
<td>Voluntary retained earnings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Balance brought forward</td>
<td>6,056,894</td>
</tr>
<tr>
<td></td>
<td>Net result for year</td>
<td>879,188</td>
</tr>
<tr>
<td></td>
<td>TOTAL EQUITY</td>
<td><strong>6,936,082</strong></td>
</tr>
<tr>
<td></td>
<td>TOTAL LIABILITIES AND EQUITY</td>
<td><strong>9,032,461</strong></td>
</tr>
</tbody>
</table>

There were no movements in equity during the year other than those included in the Balance Sheet.

The accompanying notes form part of these financial statements.

## INCOME STATEMENT
### FOR THE YEAR ENDED 31 DECEMBER 2020
#### (IN SWISS FRANCS)

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Membership fees</td>
<td>7,082,161</td>
</tr>
<tr>
<td>3.2</td>
<td>Contributions received</td>
<td>2,000,000</td>
</tr>
<tr>
<td></td>
<td>TOTAL OPERATING INCOME</td>
<td><strong>9,082,161</strong></td>
</tr>
<tr>
<td>3.3</td>
<td>Financial income</td>
<td></td>
</tr>
<tr>
<td>3.14</td>
<td>Financial expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL OPERATING EXPENSES</td>
<td><strong>8,155,233</strong></td>
</tr>
<tr>
<td></td>
<td>OPERATING RESULT</td>
<td><strong>926,928</strong></td>
</tr>
<tr>
<td>5</td>
<td>Net result for year</td>
<td>879,188</td>
</tr>
</tbody>
</table>

Other than financial income and expenses included above, there was no non-operating income or expenses, no extraordinary items or significant adjustments in respect of prior periods.
### CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

*(IN SWISS FRANCS)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET RESULT FOR YEAR</strong></td>
<td></td>
<td>879,188</td>
<td>(735,118)</td>
</tr>
<tr>
<td>Decrease/(increase) in other short-term receivables</td>
<td></td>
<td>121,619</td>
<td>(13,484)</td>
</tr>
<tr>
<td>Decrease (increase) in prepaid expenses and accrued income</td>
<td></td>
<td>1,273</td>
<td>58,068</td>
</tr>
<tr>
<td>Increase (decrease) in other current liabilities</td>
<td></td>
<td>(100,000)</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(decrease) in accrued expenses and deferred income</td>
<td></td>
<td>(767,179)</td>
<td>(550,752)</td>
</tr>
<tr>
<td><strong>CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td>134,901</td>
<td>(1,241,286)</td>
</tr>
<tr>
<td><strong>CASH INFLOW/(OUTFLOW) FOR FINANCING ACTIVITIES</strong></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CASH INFLOW/(OUTFLOW) FOR INVESTING ACTIVITIES</strong></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CHANGE IN CASH AND CASH EQUIVALENTS</strong></td>
<td></td>
<td>134,901</td>
<td>(1,241,286)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>6</td>
<td>8,690,390</td>
<td>9,931,676</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>6</td>
<td>8,825,291</td>
<td>8,690,390</td>
</tr>
<tr>
<td><strong>CHANGE IN CASH AND CASH EQUIVALENTS</strong></td>
<td></td>
<td>134,901</td>
<td>(1,241,286)</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. NATURE OF ORGANISATION
The International Association of Insurance Supervisors ("IAIS" or "the Association") is an association established under Swiss Law. The Association is domiciled in Basel, Switzerland and receives fees from its Members worldwide.

The IAIS provides an independent forum for insurance supervisors to promote cooperation among its Members in carrying out their responsibilities. Its mission 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.

2. KEY ACCOUNTING PRINCIPLES

2.1 Statement of compliance
The financial statements have been prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32nd Title of the Swiss Code of Obligations) enacted on 23 December 2011 by the Federal Assembly of the Swiss Confederation, that became effective on 1 January 2013. It is applicable to financial statements from the financial year 2015.

2.2 Scope of the financial statements
These financial statements contain all assets and liabilities that are controlled by the Association and in respect of which the economic benefits as well as the rights and obligations lie predominantly with the Association.

2.3 Basis of preparation
The financial statements have been prepared on a going concern basis. They have been prepared on the historical cost basis, and income and expense items are recorded on the accruals basis. All amounts disclosed in the financial statements have been rounded off to the nearest unit. The principal accounting policies are set out below.

2.4 Functional and presentation currency
The functional and presentation currency is the Swiss franc.

2.5 Cash and cash equivalents
Cash and cash equivalents comprise bank current and deposit accounts which are highly liquid and readily convertible to cash.

2.6 Provision for bad debts
Provisions are recognised as a charge to the Income Statement if the Association has concern over the recovery of outstanding receivables. The policy of the Association is to write-off membership fees that remain unpaid for two consecutive years, or upon confirmation of non-recovery if earlier, in accordance with its fee policy.

2.7 Withholding taxes
Interest income is reported net of withholding taxes and included as part of financial income.
3. BENEFITS RECEIVED

3.1 Membership fees
The majority funding of the Association comes from membership fees paid by its Members who represent insurance regulators and supervisors in over 140 countries. As per the Association’s By-Laws, the annual fees payable by each Member are determined by the General Meeting based on the recommendation of the Executive Committee. The yearly recommended fees are calculated based on a methodology approved by the Members to support the activities of the Association.

In 2019, the IAIS membership agreed on a revised fee methodology, applicable for 2020-2024. The methodology remained the same in several aspects with the main change being the creating of additional fee buckets in which Members could be better spread to reflect their GDP per capita and insurance premium size.

3.2 Contributions received
The IAIS is hosted by the Bank for International Settlements (BIS). It benefits from various support provided by the BIS that includes the provision of meeting organisation services, administration, accounting, human resources, legal and other advisory services, office space and IT equipment, and one full-time technical administrator. The BIS also administers a staff pension scheme of which a number of IAIS staff are entitled to membership. The pension obligations lie with the BIS and the IAIS has no legal commitment for the payment of pension amounts to staff.

During the period of 2015-2019, the BIS made annual financial contributions to the IAIS, in accordance with an agreement between both parties. This funding was in recognition of the financing gap created by the discontinuation of the industry Observer status from 2015. The annual contribution started at CHF 2,600,000 in 2015, and ended at CHF 1,700,000 in 2019.

In 2019, the BIS and IAIS signed a new agreement covering the period of 2020-2024. Under this new agreement, the BIS will continue providing an annual financial contribution to the IAIS in the fixed amount of CHF 2,000,000 per annum.

The Association also benefits from Members’ secondment of staff to its Secretariat. The total amount of these benefits does not form part of these financial statements.

4. THIRD PARTY CONTRIBUTIONS
The use of these funds is restricted as determined by agreements with the contributors.

FSA Japan Grant
Funds are contributed annually to support the IAIS’ activities and are held in a separate CHF denominated bank account, on which there was a balance of CHF 63,254 as at 31 December 2020 (CHF 35,513 as at 31 December 2019). These funds are held outside the IAIS financial statements; all transactions are financially independent from the IAIS and the financial records are independently audited.

5. INCOME TAXES
The Association is exempt from Swiss income tax.
6. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF Current accounts</td>
<td>1,830,007</td>
<td>1,675,890</td>
</tr>
<tr>
<td>CHF Short term savings accounts</td>
<td>6,995,284</td>
<td>7,014,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,825,291</td>
<td>8,690,390</td>
</tr>
</tbody>
</table>

8. OTHER SHORT-TERM LIABILITIES

<table>
<thead>
<tr>
<th>Contribution towards Annual Conference and General Meeting expenses (Note 10)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100,000</td>
</tr>
</tbody>
</table>

7. OTHER SHORT-TERM RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees receivable</td>
<td>75,835</td>
<td>27,414</td>
</tr>
<tr>
<td>Other</td>
<td>106,210</td>
<td>225,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>182,045</td>
<td>252,614</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less: provision for bad debts</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(64,300)</td>
<td>(13,250)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>117,745</td>
<td>239,364</td>
</tr>
</tbody>
</table>

9. ACCRUED EXPENSES AND DEFERRED INCOME

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Bank for International Settlements</td>
<td>475,854</td>
<td>1,141,949</td>
</tr>
<tr>
<td>Consultancy</td>
<td>24,080</td>
<td>30,802</td>
</tr>
<tr>
<td>Seminars</td>
<td>64,205</td>
<td>168,343</td>
</tr>
<tr>
<td>Travel</td>
<td>1,260</td>
<td>50,603</td>
</tr>
<tr>
<td>Website &amp; IT</td>
<td>42,270</td>
<td>30,254</td>
</tr>
<tr>
<td>Other</td>
<td>594,498</td>
<td>468,218</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,096,379</td>
<td>2,863,558</td>
</tr>
</tbody>
</table>

Deferred income:

<table>
<thead>
<tr>
<th>Membership fees received in advance</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>884,212</td>
<td>963,389</td>
</tr>
</tbody>
</table>

Movement in provision for bad debts:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charge to operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>77,550</td>
<td>98,022</td>
</tr>
<tr>
<td>Amounts recovered in year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>77,550</td>
<td>98,022</td>
</tr>
</tbody>
</table>

Movement in provision:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>13,250</td>
<td>28,850</td>
</tr>
<tr>
<td>Charge to operating expenses</td>
<td>77,550</td>
<td>98,022</td>
</tr>
<tr>
<td>Amounts written off in year</td>
<td>(26,500)</td>
<td>(113,622)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>64,300</td>
<td>13,250</td>
</tr>
</tbody>
</table>

Amounts due to the Bank for International Settlements are in respect of staff costs and other operating expenses. All other accrued expenses relate to third parties.
Notes to the Financial Statements

Year ended 31 December 2020

10. Annual Conference and General Meeting

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution towards Annual Conference and General Meeting expenses</td>
<td>–</td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100,000</td>
</tr>
</tbody>
</table>

The Annual Conference fees and expenditure are the responsibility of the host. The host is also responsible for organising a General Meeting, the costs of which are borne by the IAIS. The IAIS sets aside in its annual budget a maximum amount of CHF 100,000 to cover the costs of the General Meeting and contribute towards costs related to the Annual Conference. Any net costs, after taking into account the IAIS contribution, are borne by the host.

No contributions were made towards the 2020 Annual Conference and Annual General Meeting as in-person IAIS events were suspended and switched to a virtual format. See also Note 16.

12. Staff Costs

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment costs</td>
<td>7,304,826</td>
<td>7,254,145</td>
</tr>
<tr>
<td>Relocation</td>
<td>98,259</td>
<td>209,969</td>
</tr>
<tr>
<td></td>
<td><strong>7,403,085</strong></td>
<td><strong>7,464,113</strong></td>
</tr>
</tbody>
</table>

The IAIS has an annual average no more than 50 full time positions.

13. Other Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>10,027</td>
<td>9,207</td>
</tr>
<tr>
<td>Consultancy fees</td>
<td>72,187</td>
<td>42,515</td>
</tr>
<tr>
<td>Editing</td>
<td>14,436</td>
<td>9,856</td>
</tr>
<tr>
<td>FSI Connect licences</td>
<td>59,734</td>
<td>–</td>
</tr>
<tr>
<td>Information services</td>
<td>83,452</td>
<td>66,835</td>
</tr>
<tr>
<td>Insurance</td>
<td>100,732</td>
<td>94,926</td>
</tr>
<tr>
<td>Meeting expenses</td>
<td>30,976</td>
<td>139,209</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,800</td>
<td>12,660</td>
</tr>
<tr>
<td>Printing &amp; documentation (incl. copies &amp; postage)</td>
<td>(9,971)</td>
<td>22,738</td>
</tr>
<tr>
<td>Bad debts expense</td>
<td>77,550</td>
<td>98,022</td>
</tr>
<tr>
<td>Recruitment</td>
<td>1,688</td>
<td>24,310</td>
</tr>
<tr>
<td>Telephone &amp; fax</td>
<td>–</td>
<td>3,902</td>
</tr>
<tr>
<td>Training</td>
<td>19,547</td>
<td>18,087</td>
</tr>
<tr>
<td>Travel</td>
<td>65,252</td>
<td>721,589</td>
</tr>
<tr>
<td>Website and IT</td>
<td>185,017</td>
<td>187,254</td>
</tr>
<tr>
<td></td>
<td><strong>712,427</strong></td>
<td><strong>1,451,110</strong></td>
</tr>
</tbody>
</table>

The FSI Connect licenses expense occurs every two years and the benefits of the licenses lie with the recipient Members.

11. Contributions Paid

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Conference and General Meeting (Note 10)</td>
<td>–</td>
<td>100,000</td>
</tr>
<tr>
<td>Regional seminars</td>
<td>39,721</td>
<td>129,944</td>
</tr>
<tr>
<td>Global seminar</td>
<td>–</td>
<td>60,000</td>
</tr>
<tr>
<td></td>
<td><strong>39,721</strong></td>
<td><strong>289,944</strong></td>
</tr>
</tbody>
</table>

The IAIS contributes up to CHF 60,000 towards the costs of the Global Seminar. From 2019, hosts of the Global Seminar may charge registration fees to stakeholder participants on a cost recovery basis. The collection of fees and expenditure incurred are the responsibility of the host. Any net loss, after taking into account the IAIS contribution, is borne by the host.

No contribution was made towards the 2020 Global Seminar, as in-person IAIS events were suspended and switched to a virtual format shortly after the start of 2020. Contributions to Regional seminars also decreased significantly, representing seminars mostly undertaken in the first quarter of 2020. See also Note 16.
14. FINANCIAL EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank charges &amp; custody fees</td>
<td>1,385</td>
<td>1,272</td>
</tr>
<tr>
<td>Bank interest</td>
<td>48,264</td>
<td>20,956</td>
</tr>
<tr>
<td>Foreign exchange loss/gain</td>
<td>(1,909)</td>
<td>373</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47,740</td>
<td>22,601</td>
</tr>
</tbody>
</table>

A decrease in overall 2020 expenditure resulted on an increase in funds in the bank accounts, effectively increasing the negative interest rate charges.

15. INVESTMENT POLICY AND RISK MANAGEMENT

The Budget Committee meets at least four times a year and assesses the financial risks that could have an impact on the Association. The Secretariat monitors the day-to-day activities of the Association and provides regular reports to the Budget Committee.

The Association derives income primarily from membership fees. As a non-profit making organisation, it invests surplus income to fund future operations. Security of capital, represented by voluntary retained earnings, has a high priority within the investment policy, to ensure that the Association can continue as a going concern to support its activities for the foreseeable future.

As at 31 December 2020 the IAIS’ investment in financial assets comprised banks current and deposit accounts.

15.1 Liquidity risk
The Association holds sufficient liquid funds to enable it to meet its liabilities as they fall due.

15.2 Foreign currency risk
The revenue and expenditure of the Association are predominantly received and paid in Swiss francs. To minimise the exposure of investments to foreign currency risk, investments are normally held in Swiss franc-denominated financial assets. The Association’s cash and cash equivalents are also held in Swiss francs.

15.3 Credit Risk
The major source of funding for the Association is fees from Members. Members represent insurance regulators and supervisors from over 200 jurisdictions in more than 140 countries. Due to the nature of the Association’s activities and broad membership, credit risk is considered to be low.

16. SIGNIFICANT EVENTS IN 2020

At the start of 2020, with the spread of Covid-19 leading to a global pandemic, and the subsequent implementation of travel restrictions by governments worldwide, the IAIS took steps to safeguard the well-being of its Members, stakeholders and staff. As a result, IAIS in-person meetings were replaced with conference calls, leading to a significant decrease in expenses for 2020. In terms of revenue, the impact was negligible, with 2020 seeing a net increase in IAIS membership.

17. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events between the balance sheet and the approval of these financial statement by the IAIS Executive Committee on 11 June 2021 which could impact the book value of assets and liabilities or which should be disclosed in these financial statements.
Report of the statutory auditor

to the General Meeting of International Association of Insurance Supervisors

Basel

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of International Association of Insurance Supervisors, which comprise the balance sheet, income statement, cash flow statement and notes, for the year ended 31 December 2020.

Executive Committee’s responsibility

The Executive Committee is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the by-laws. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Executive Committee is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the by-laws.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 69b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Association Executive Committee.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Ralph Maiocchi
Auditor in charge

Karen Schmitt
Audit expert

Basel, 18 June 2021

Enclosure:

• Financial statements (balance sheet, income statement, cash flow statement and notes)

PricewaterhouseCoopers AG, St. Jakobs-Strasse 25, Postfach, CH-4002 Basel, Switzerland
Telefon: +41 58 792 51 00, Telefax: +41 58 792 51 10, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

3 International Association of Insurance Supervisors | Report of the statutory auditor to the General Meeting
The IAIS Distinguished Fellows programme honours former Member representatives for their dedication and significant involvement in IAIS activities. It is the IAIS’ way of paying tribute to those who have gone above and beyond in contributing their time and expertise to advance the IAIS mission. Honourees are nominated and approved by their peers.

Elise Liebers
Formerly US National Association of Insurance Commissioners (NAIC)
Senior Director of Financial Regulatory Affairs – International Policy & Market Surveillance

Elise had a long record of dedication to the IAIS and is known to have provided thoughtful leadership, always seeking consensus and understanding of different views. Her time with the IAIS culminated as Chair of the Policy Development Committee in February 2020, where she secured important consensus on several complex and challenging issues. During her almost ten-year tenure, she also served as Vice Chair (and three times as Acting Chair) of the former Financial Stability/Financial Stability and Technical Committees, actively contributing to a variety of the Committees’ workstreams. In addition, Elise served as a member of the ICS Task Force (making critical contributions to the development of the Insurance Capital Standard) and on the Coordination Group, Selection Committee and Performance & Compensation Committee.

Hiroshi “Hiro” Ota
Formerly Japan Financial Services Agency (JFSA)
Deputy Commissioner for International Affairs

Hiro Ota was with the IAIS for “only” three years (2016-2019), but nevertheless left an indelible mark on the Association. Considered a champion of international collaboration and coordination, he made substantial contributions to the work of the IAIS in his role as Vice-Chair of the Executive Committee and through the many other positions he held. These include serving on the Policy Development Committee, Macroprudential Committee, Audit & Risk Committee, Budget Committee, Insurance Capital Standard and Comparability Task Force, Coordination Group, Performance & Compensation Committee, Selection Committee and Strategic Plan and Financial Outlook Task Force. In particular, Hiro played a key role in advancing work on the Insurance Capital Standard and the Holistic Framework for Systemic Risk in the Insurance Sector. Hiro was also appreciated for raising awareness of IAIS objectives and projects through his active participation in local and global seminars and conferences.
EXECUTIVE COMMITTEE MEMBERS

Victoria (Vicky) Saporta
United Kingdom
Prudential Regulatory Authority (PRA),
Bank of England (BoE)
Chair

David Altmaier
United States
Florida Office of Insurance Regulation
Vice Chair

Norio Hida
Japan
Financial Services Agency (FSA)
Vice Chair

Suzette Vogelsang
South Africa
Prudential Authority
Vice Chair

Geoff Summerhayes
Australia
Australian Prudential Regulation Authority (APRA)
Chair, ARCC

Subhash C. Khuntia
India
Insurance Regulatory and Development Authority of India (IRDAI)
Chair, Budget Committee

Peter Braumüller (ex officio)
Austria
Financial Market Authority (FMA)
Chair, IAC

Alberto Corinti
Italy
Istituto per la Vigilanza sulle Assicurazioni (IVASS)
Chair, MPC

Dieter Hendrickx (ex-officio)
Belgium
National Bank of Belgium (NBB)
Chair, MPC

Gary Anderson
United States
Massachusetts Division of Insurance
Chair, PDC

Elise Liebers (ex officio)
USA
National Association of Insurance Commissioners (NAIC)
Chair, PDC

Aznan Abdul Aziz
Malaysia
Bank Negara Malaysia

Gabriel Bernardino
European Insurance and Occupational Pensions Authority (EIOPA)

Else Bos (non-voting)
Netherlands
De Nederlandsche Bank (DNB)

Hassan Boubrik
Morocco
Autorité de Contrôle des Assurances et de la Prévoyance Sociale (ACAPS)

Clement Cheung
China Hong Kong
Insurance Authority (IA)

Gorazd Čibej
Slovenia
Insurance Supervision Agency

Michael Consedine
United States
National Association of Insurance Commissioners (NAIC)

Joaquin Cortez
Chile
Comisión para el Mercado Financiero (CMF)

Gerry Cross
Ireland
Central Bank of Ireland

Bernard Dupont
Canada
Office of the Superintendent of Financial Institutions (OSFI)

Raymond Farmer
United States
South Carolina Department of Insurance

William Mason
Guernsey
Financial Services Commission (GFSC)

Didier Millerot (non-voting)
European Commission

Ricardo Ochoa
Mexico
Comisión Nacional de Seguros y Fianzas

Birgit Rutishauser
Switzerland
Swiss Financial Market Supervisory Authority (FINMA)

Steven Seitz (non-voting)
United States
Department of Treasury (FIO)

Thomas Sullivan (non-voting)
United States
Board of Governors of the Federal Reserve System (FRB)

Craig Swan
Bermuda
Bermuda Monetary Authority (BMA)

Ebrahim Obaid Al Zaabi
United Arab Emirates
Croatia (Republic of)
Croatian Financial Services Supervisory Agency

Elise Liebers (ex officio)
USA
National Association of Insurance Commissioners (NAIC)
Chair, PDC

Bernard Dupont
Canada
Office of the Superintendent of Financial Institutions (OSFI)

Raymond Farmer
United States
South Carolina Department of Insurance

William Mason
Guernsey
Financial Services Commission (GFSC)

Didier Millerot (non-voting)
European Commission

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Mexico
Comisión Nacional de Seguros y Fianzas

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Department of Treasury (FIO)

Thomas Sullivan (non-voting)
United States
Board of Governors of the Federal Reserve System (FRB)

Craig Swan
Bermuda
Bermuda Monetary Authority (BMA)

Ebrahim Obaid Al Zaabi
United Arab Emirates
Croatia (Republic of)
Croatian Financial Services Supervisory Agency
### IAIS Secretariat Staff

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jonathan Dixon</td>
<td>Secretary General</td>
</tr>
<tr>
<td>Anna Aubel</td>
<td>Administrative Officer</td>
</tr>
<tr>
<td>Farzana Badat</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Joao Carneiro</td>
<td>Finance Officer</td>
</tr>
<tr>
<td>Melanie Clowes-Haug</td>
<td>Senior Policy Adviser (Communications)</td>
</tr>
<tr>
<td>Nicolas Colpaert</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Aurélien Cosma</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Rogier Derksen</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Conor Donaldson</td>
<td>Head of Implementation</td>
</tr>
<tr>
<td>Malene Duncan</td>
<td>Senior Policy Adviser (Legal)</td>
</tr>
<tr>
<td>Becky Easland</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Sylvie Ellet</td>
<td>Administrative Officer</td>
</tr>
<tr>
<td>Natalia Escobar</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Elisa Frost</td>
<td>Project and Change Manager</td>
</tr>
<tr>
<td>Alistair Gough</td>
<td>Senior Policy Adviser (Date joined: March 2020)</td>
</tr>
<tr>
<td>Martin Hahn</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Selina Keng*</td>
<td>Policy Adviser</td>
</tr>
<tr>
<td>Marike Komen-Brady</td>
<td>Senior Policy Adviser (Date left: September 2020)</td>
</tr>
<tr>
<td>Grzegorz Komarnicki</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Jay Muska</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Akiko Nakamura*</td>
<td>Policy Adviser</td>
</tr>
<tr>
<td>Alessandro Nardi</td>
<td>Senior Policy Adviser (Date left: October 2020)</td>
</tr>
<tr>
<td>Carine Notter</td>
<td>Technical Administrator / IT Projects</td>
</tr>
<tr>
<td>Yasuaki Ohara*</td>
<td>Policy Adviser</td>
</tr>
<tr>
<td>Romain Paserot</td>
<td>Deputy Secretary General</td>
</tr>
<tr>
<td>Danita Pattemore</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Joe Perry</td>
<td>Senior Policy Adviser (Date joined: November 2020)</td>
</tr>
<tr>
<td>Andrei Radu*</td>
<td>Policy Adviser (Date left: August 2020)</td>
</tr>
<tr>
<td>Gemma Schneider</td>
<td>Administrative Officer</td>
</tr>
<tr>
<td>Zoe Smoke</td>
<td>Administrative Officer</td>
</tr>
<tr>
<td>Tomas Stasny</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Hanne van Voorden</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Pierre-Jean Vouette</td>
<td>Senior Policy Adviser</td>
</tr>
<tr>
<td>Myungshin Yoo*</td>
<td>Policy Adviser (Date left: January 2020)</td>
</tr>
<tr>
<td>Jun Zhang*</td>
<td>Policy Adviser</td>
</tr>
<tr>
<td>Manuela Zweimueller</td>
<td>Head of Supervisory Practices (Date joined: January 2020)</td>
</tr>
</tbody>
</table>

*Staff not financed by the IAIS indicated by an asterisk (*)
You can see the current structure on the IAIS website.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2ii</td>
<td>Access to Insurance Initiative</td>
</tr>
<tr>
<td>AFIR</td>
<td>Asian Forum of Insurance Regulators</td>
</tr>
<tr>
<td>AM</td>
<td>Aggregation Method</td>
</tr>
<tr>
<td>ARC</td>
<td>Audit and Risk Committee</td>
</tr>
<tr>
<td>ASSAL</td>
<td>Latin American Association of Insurance Supervisors</td>
</tr>
<tr>
<td>BC</td>
<td>Budget Committee</td>
</tr>
<tr>
<td>BiS</td>
<td>Bank for International Settlements</td>
</tr>
<tr>
<td>BLA</td>
<td>Baseline Assessment</td>
</tr>
<tr>
<td>BMZ</td>
<td>Federal Ministry for Economic Cooperation and Development of Germany</td>
</tr>
<tr>
<td>CIF</td>
<td>Coordinated Implementation Framework</td>
</tr>
<tr>
<td>ComFrame</td>
<td>Common Framework for the Supervision of Internationally Active Insurance Groups</td>
</tr>
<tr>
<td>DE&amp;I</td>
<td>Diversity, Equity and Inclusion</td>
</tr>
<tr>
<td>DGIIS</td>
<td>Directorate-General for International Cooperation of the Netherlands</td>
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<tr>
<td>EMDE</td>
<td>Emerging Market and Developing Economy</td>
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<tr>
<td>ERM</td>
<td>Enterprise Risk Management</td>
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<tr>
<td>ExCo</td>
<td>Executive Committee</td>
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<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
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<td>FIF</td>
<td>Financial Inclusion Forum</td>
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<td>FinTech</td>
<td>Financial Technology</td>
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<td>FSB</td>
<td>Financial Stability Board</td>
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<td>FSI</td>
<td>Financial Stability Institute</td>
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<tr>
<td>G20</td>
<td>Group of 20</td>
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<tr>
<td>GIMAR</td>
<td>Global Insurance Market Report</td>
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<tr>
<td>GME</td>
<td>Global Monitoring Exercise</td>
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<td>GWS</td>
<td>Group-wide Supervisor</td>
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<tr>
<td>HLG</td>
<td>High-level Goal</td>
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<td>Holistic Framework</td>
<td>Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector</td>
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<tr>
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<td>IAIG</td>
<td>Internationally Active Insurance Group</td>
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<td>IAIS</td>
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<td>ICP</td>
<td>Insurance Core Principle</td>
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<td>Insurance Capital Standard</td>
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<tr>
<td>iII-Lab</td>
<td>Individual Insurer Monitoring</td>
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<td>IIM</td>
<td>Inclusive Insurance Innovation Lab</td>
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<td>ILR</td>
<td>Insurance Liquidity Ratio</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ITF</td>
<td>Infrastructure Task Force</td>
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<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>LIBOR</td>
<td>London Inter-bank Offered Rate</td>
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<td>MAP</td>
<td>Member Assessment Programme</td>
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<td>MMoU</td>
<td>Multilateral Memorandum of Understanding</td>
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<td>Macroeprudential Committee</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>ORTF</td>
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<td>PCR</td>
<td>Prescribed Capital Requirement</td>
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<td>PDC</td>
<td>Policy Development Committee</td>
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<td>PRP</td>
<td>Peer Review Programme</td>
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<tr>
<td>SAT</td>
<td>Self-assessment Tool</td>
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<td>SAWG</td>
<td>Standards Assessment Working Group</td>
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<td>SIF</td>
<td>Sustainable Insurance Forum</td>
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<td>SPFO</td>
<td>Strategic Plan and Financial Outlook</td>
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<td>SSB</td>
<td>Standard Setting Body</td>
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<td>Supervisory Technology</td>
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<td>SWG</td>
<td>Signatories Working Group</td>
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<td>SWM</td>
<td>Sector-wide Monitoring</td>
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<tr>
<td>TCFD</td>
<td>Task Force on Climate-related Financial Disclosures</td>
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<tr>
<td>TJA</td>
<td>Targeted Jurisdictional Assessment</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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