

# Newsletter

November 2021

Issue 109



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

## In this Issue

<a href="#">Calendar Notes</a> .....	1
<a href="#">From the Secretary General</a> .....	1
<a href="#">In Focus</a> .....	2
<a href="#">News Updates</a> .....	4
<a href="#">Stakeholder Engagement</a> .....	10
<a href="#">Meetings and Events</a> .....	10
<a href="#">Forums</a> .....	11
<a href="#">Meet our Staff</a> .....	11
<a href="#">Appointments of Chairs and Vice-Chairs</a> .....	12
<a href="#">Committee and Subcommittee Activities</a> .....	13
<a href="#">FSI Report</a> .....	15
<a href="#">A2ii Report</a> .....	15

## Calendar Notes

For this last edition of the year, the IAIS would like to wish all our Members and stakeholders very happy end of year celebrations! We wish you a peaceful holiday season and look forward to reconnecting in 2022 for another productive and exciting year!



## From the Secretary General

As 2021 draws to a close, it is good to conclude the year on a very positive note, following a productive set of committee meetings, a packed agenda for our AGM and Annual Conference and continued active engagement with our stakeholders.



Despite the ongoing challenges of the pandemic, we remain firmly on target with our various Roadmap projects. We finalised

important work on insurer culture, supervisory colleges, and AML – and took work on liquidity metrics a step forward with the launch of our public consultation. We also continued to drive forward work on our key strategic themes, not least of which climate risk, but also on other fronts such as digital transformation and an important new focus on issues of diversity, equity and inclusion (DE&I) in the insurance sector. We benefit from a newly formed Climate Risk Steering Group and new FinTech and DE&I Champions to help drive work forward in these areas. The Global Insurance Market Report has been published, sharing the important insights on financial stability risks from our first full Global Monitoring Exercise, and we remain firmly on track with our work on the Insurance Capital Standard, with the monitoring period set to conclude as planned in 2024.

At our Annual Conference we welcomed more than 700 stakeholders and provided nearly eight hours of updates and rich discussion on our work. Our four panel discussions focused on issues at the top of our agenda and provided valuable inputs to our work.

Although we appreciate that there are some downsides to virtual conferences in terms of engagement, this year we added polling options during the panels to help shape the discussion. I am pleased to say that more than 95% of those stakeholders that responded to our post-event survey, rated the conference as “excellent” or “good”. We are pleased to be able to provide a public platform for these important discussions on insurance supervision. For those that did not manage to tune into the Annual Conference, I’d encourage you to watch the replays available on our website.

Over recent months, members of the IAIS Executive Committee (ExCo) also had the opportunity to engage with a range of stakeholders, not only in our Town Hall event, but also in engagements with the Geneva Association, GFIA, the International Actuarial Association, and others, on the strategic issues the insurance sector will face over the coming



For more information or to subscribe to the newsletter and e-mail alerts, please visit [www.iaisweb.org](http://www.iaisweb.org).  
Comments and suggestions are always welcome.

years. These engagements are a hugely important aspect of our work.

This is the final newsletter for 2021 with our next edition due at the end of January. I look forward to updating you then on the 2022-2023 Roadmap and setting out the issues that we, as

the global community of insurance supervisors, will address over the coming years. Before, then I wish all of you a peaceful holiday period and a healthy and energised new year.

Jonathan Dixon, Secretary General

## Understanding the trends shaping the insurance sector

### In Focus...

Our Annual Conference provided an opportunity to engage with our stakeholders on four important themes that are at the core of our Roadmap.

Over three days, the IAIS held a Town Hall and panel discussions that attracted more than 700 attendees and covered topics including, climate scenario analysis, our Global Monitoring Exercise, pandemic risk, and governance and ethics of artificial intelligence and machine learning. The sessions, many of which were informed by audience polling, provided an excellent opportunity to engage with our stakeholders as we take forward work in these areas.

Recordings of the Town Hall and four panels are available on the [IAIS website](#) to replay.

### IAIS Town Hall

The Annual Conference started with the Town Hall in which committee Chairs provided a detailed update about IAIS work over the course of the year. An interactive Q&A session with stakeholders formed a large part of the session, allowing the audience to delve more deeply into the topics important to them.

Special guest, Klaas Knot, incoming chair of the Financial Stability Board (FSB), provided an insightful update on the FSB's planned work and what it means for the insurance sector during a discussion with ExCo Chair, Vicky Saporta.



We received several questions from stakeholders as part of our preparation for the Annual Conference. Unfortunately we did not have time to answer all of them on the day, however we have now [published responses](#) to all of the questions we received in advance.

### Climate scenario analysis: Developing the tools to understand climate risk

The first panel focused on emerging good practices in climate scenario analysis for insurers and the steps supervisors can take to advance scenario analysis as an effective risk assessment tool for insurers, and as a macroprudential analytical tool for supervisors. The discussion was particularly timely for the IAIS, as one element of our future work on climate risk will consider what further guidance we can provide to support our Members as they develop scenario analysis requirements.

The panel acknowledged the complexity of the work involved in developing and implementing climate scenario analysis. They agreed that the best approach to managing this complexity is for insurers to



take the first step by starting work to understand and assess climate risks. Panellists set out the trade-offs between several factors that influence the complexity of scenario analysis exercises. They agreed on the need not to let the “perfect be the enemy of the good” and highlighted the benefits of starting work now in order to develop the corporate knowledge to better understand these risks and importantly to start integrating climate considerations into Enterprise Risk Management (ERM) and medium and long-

term strategic decision making. The panel concluded that for supervisors, this means considering how climate risk analysis is informing decisions that firms are making and being ready to ask insurers’ senior managers about how they are factoring in this risk.

### Global Monitoring Exercise: A changing landscape for the insurance sector

Next was a panel discussion on the findings from our annual [Global Monitoring Exercise \(GME\)](#), particularly the risks and strategic challenges facing insurers from a low-for-long interest rate environment and increased credit and cyber risks. The panel considered what this means for insurer business models, how consumers might be affected and what steps supervisors can take to help ensure these risks are effectively managed. The panel considered how the private equity industry is increasingly acquiring life insurance business in certain jurisdictions, as they seek steady capital inflows into their fund offerings.



In light of record levels of sovereign and corporate debt, the panel discussed the credit risk associated with these developments, what risks this could pose for insurers and the focus that supervisors need to give to ensuring these risks are properly managed.

The panel concluded by looking forward and discussing the growing risks from cyber and climate change. Data on cyber exposures of insurers is limited, while data on accumulation risk related to cyber underwriting is even less available, posing challenges for cyber insurance pricing and reserving, warranting conservative underwriting. Panellists highlighted the need for a cautious move into cyber underwriting given the current sparsity of data.

### Pandemic risk: The role of supervisors in addressing future pandemic risk

Discussion then moved to pandemic risk to consider the role that insurers, governments and supervisors need to play in addressing the pandemic protection gap. The panel discussed options for covering this risk and the extent to which public and private sectors would be called on to address the risk. The panel agreed on the need for supervisors to be involved in the development of any public-private partnership arrangements to address pandemic risk.



In the audience poll, almost two thirds of the audience thought that the most effective way of addressing the pandemic business interruption protection gap is through public-private partnership with only 27% believing that government funded schemes and stimulus packages on their own could address these risks. Panellists highlighted the different challenges faced in emerging market and developing economies, where insurance markets are not as developed and there are generally greater fiscal constraints. The panel also discussed the extent to which emerging risks will challenge the capacity of traditional insurance models to provide cover in the future, with more than half of the audience believing this would be the case for climate risk.

### **Innovation: Governance and ethics of artificial intelligence and machine learning**



The panel sessions concluded with a discussion on governance and ethics around the use of artificial intelligence (AI) and machine learning (ML) in the insurance sector. The panel had a lively debate on the issues that need to be tackled within this rapidly evolving area, considering what impact it will have on policyholders and insurers.

They examined how governance frameworks could address inherent biases in underlying AI-ML models in terms of diversity, equity and inclusion. They also discussed the importance of the Boards of insurers understanding these risks and being clear on the monitoring and controls that need to be put in place to mitigate this risk. Panellists agreed on the need to focus less on the AI tools being used and to think more broadly about the data sets and whether they come with their own bias.

They examined how governance frameworks could address inherent biases in underlying AI-ML models in terms of diversity, equity and inclusion.

In the audience poll, all respondents agreed on the need for some additional regulation, with 43% calling for a principles-based approach to addressing these issues.

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



### **IAIS statement on the importance of DE&I considerations in insurance supervision**

The IAIS has intensified its work and focus on issues of Diversity, Equity and Inclusion (DE&I) in the insurance sector.

To support this effort, the IAIS issued a statement highlighting the importance of DE&I considerations to the objectives of insurance supervision. Additionally, we are happy to announce that Helen Rowell, Deputy Chair of APRA, was appointed IAIS' DE&I Champion to guide IAIS activities in this area.

There is growing acknowledgment that advancing DE&I within insurers' organisations and business models supports sound prudential and consumer outcomes and sustainability objectives. DE&I touches on several strategic themes identified in the IAIS [Strategic Plan 2020-2024](#). It is particularly relevant to conduct and culture but also to financial inclusion and sustainable economic development as well as technological innovation.

*"This statement is a first step in the incredibly important journey of supporting our Members and the industry in integrating the broad range of benefits to our mandate that a focus on DE&I can bring."*

*- Vicky Saporta, ExCo Chair*

Starting next year, the IAIS will conduct exploratory work on the insurance sector's efforts and steps taken by supervisors in support of DE&I objectives. As part of this work, the IAIS will also consider the many interlinkages between DE&I and our work on governance, culture and conduct, to embed DE&I into insurers' governance and business models.



You can read the full statement [here](#).

For more information contact the Secretariat at [iais-press@bis.org](mailto:iais-press@bis.org).

## IAIS Annual General Meeting held virtually

Due to the ongoing implications of Covid, this year's Annual General Meeting (AGM) was again held virtually. The virtual session to report on the results of the AGM opened with a special welcome video featuring IAIS Members from around the globe. The AGM session gathered a record 398 participants and marked the completion of a number of business items, including the adoption of the [2020 Annual Report](#) of activities, approval of the audited financial statements, election and re-election of Executive Committee members and approval of the admission of one new IAIS Member.

### Annual Address of the Executive Committee Chair

Executive Committee Chair, Vicky Saporta, addressed IAIS membership by first highlighting some of the ways in which the Association has responded to the challenges presented by Covid-19. With respect to efforts made towards contributing to financial stability, she spoke of the Association's risk assessment framework – the Global Monitoring Exercise (GME). The Chair also outlined the ways in which the IAIS has facilitated collaboration and cooperation between insurance supervisors over the course of the year.

The Chair provided updates on ongoing key projects, specifically: delivering on key post-global financial crisis reforms (ie the Holistic Framework and the Insurance Capital Standard (ICS)); implementation assessment and capacity building; and supervisory practices aimed at addressing the risks and opportunities of accelerating trends in the insurance sector. With respect to accelerating trends, diversity, equity and inclusion (DE&I) will be an important theme for the Association going forward, including what DE&I means for insurers in terms of governance, business models and fair treatment of customers.

### Reports from the Secretary General, Chair of ARC and Chair of Budget Committee

In his report to the General Meeting, Jonathan Dixon, Secretary General, outlined how connections between IAIS Members have remained strong despite the challenges of Covid-19. He further provided an update on progress to-date with respect to delivering on the 2020-2024 Strategic Plan. Lastly, he outlined some of the ways in which the Association has been able to increase efficiency and effectiveness of internal operations and thanked Members and Secretariat staff for their contributions over the past year.

Norio Hida, Chair of the Audit and Risk Committee (ARC), provided a report to the Membership on: (i) the main risks overseen by the ARC and (ii) the effectiveness of internal controls and management actions over the past year.

Finally, Ryan Workman, Chair of the Budget Committee (BC), provided the Membership with an overview of the Association’s budget and fees for 2022.

For more information contact the Malene Duncan at [malene.duncan@bis.org](mailto:malene.duncan@bis.org).

## 2021 IAIS Distinguished Fellows honoured

Following the reports, two Distinguished Fellows were honoured for their exceptional contributions to the IAIS. Gabriel Bernardino, former Chair of EIOPA and currently Chairman of the Securities Market Commission of Portugal, was the first to receive the honour. ExCo Chair, Vicky Saporta, shared that Gabriel was a long serving member of the IAIS Executive Committee, having served from 2010-2021. Vicky also remarked on how Gabriel was a committed supporter of the IAIS and its activities, particularly supporting the strengthening of the role of the IAIS as a credible and globally recognised standard setter.

Hern Shin Ho, formerly Assistant Managing Director of Banking & Insurance and now Deputy Managing Director, Financial Supervision, at the Monetary Authority of Singapore (MAS), was the second honouree. Vicky highlighted the substantial contributions Hern Shin made to the work of the IAIS during her tenure as an IAIS Executive Committee member (from 2017-2021). In addition to serving on the ExCo, Hern Shin served in a number of positions, including as a member of the ARC, ICSTF, Selection Committee and SPFOTF. Hern Shin also served as the inaugural FinTech ExCo Champion.



Vicky warmly thanked both 2021 Distinguished Fellows for their contributions and commitment to the IAIS.

For more information contact the Malene Duncan at [malene.duncan@bis.org](mailto:malene.duncan@bis.org).

## Appointment of ExCo Champions

It has been the Executive Committee’s practice to appoint “ExCo Champions” amongst its members to provide leadership on a strategic theme of the IAIS and serve as the primary link between ExCo and the Association’s cross-cutting work on the strategic theme.

Recognising the importance of the Association’s work on DE&I aspects relating to insurers’ governance and on DE&I with respect to the IAIS’ internal structures and processes, ExCo appointed Helen Rowell (APRA, Australia) as its inaugural DE&I ExCo Champion (see above reference to IAIS statement on the importance of [DE&I](#) considerations in insurance supervision).



With the objective of providing leadership to the IAIS’ FinTech Forum and serving as the primary link between ExCo and the Association’s broader work on digital transformation matters, ExCo appointed Petra Hielkema (EIOPA) as ExCo FinTech Champion. Petra replaces Hern Shin Ho, who resigned from the role earlier this year.

For more information contact the Malene Duncan at [malene.duncan@bis.org](mailto:malene.duncan@bis.org).

---

## IAIS publishes 2021 Global Insurance Market Report (GIMAR)

The IAIS published its 2021 Global Market Insurance Report (GIMAR) on 30 November. The report covers the latest findings from the IAIS' targeted assessment of the impact of Covid-19 on the global insurance sector, the outcome of the first full Global Monitoring Exercise (GME) of potential systemic risks and key highlights of the global reinsurance market analysis. Following last year's more targeted focus on the impact of Covid-19 on the global insurance sector, this year's GME puts a broader focus on potential systemic risk, as originally designed within the IAIS' Holistic Framework. The GME helps ensure that the international coordination of supervisory responses is grounded in evidence.

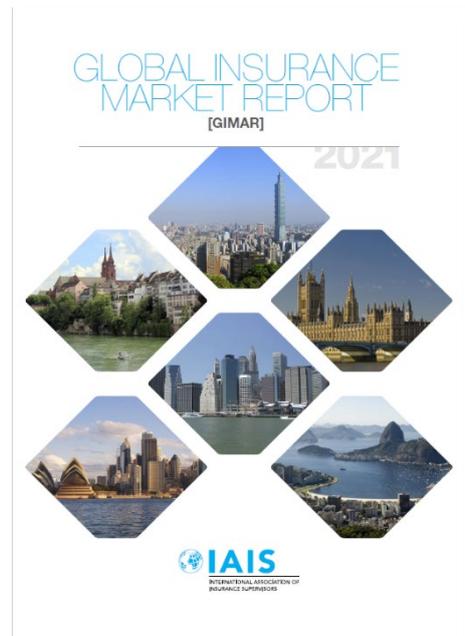
The IAIS held collective discussions among insurance supervisors from across the globe on the outcome of the GME. The discussions focused on individual insurers that demonstrated an increase in systemic risk scores, as well as on three sector-wide macroprudential themes which were identified as supervisory priorities, namely (1) the low interest rate environment and the related trend of private equity ownership of insurers, (2) credit risk and (3) cyber risk.

The targeted assessment of the impact of Covid-19 on the insurance sector showed that strong performance of financial markets in the second half of 2020, supported by unprecedented fiscal and monetary stimuli, resulted in insurers' solvency ratios continuing to improve at year-end 2020 compared to mid-2020. However, solvency ratios remained below the baseline of year-end 2019. Looking ahead, vulnerabilities remain because of uncertainties around the ongoing duration and impact of the Covid-19 pandemic and the timing of the unwinding of government and central bank support measures.

Read the GIMAR [here](#).

Read the press release accompanying 2021 GIMAR publication [here](#).

For more information contact Nicolas Colpaert at [nicolas.colpaert@bis.org](mailto:nicolas.colpaert@bis.org).



---

## IAIS launches public consultation on the Development of Liquidity Metrics - Phase 2

The IAIS has launched the public consultation on the Development of Liquidity Metrics - Phase 2. 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 the variability of insurance products and their liquidity profiles, different liquidity needs of various insurance business models, fungibility of assets, comparability across regions, choice of a time horizon and consideration of capital instruments. The IAIS is developing liquidity metrics as an ancillary indicator in its Individual Insurer Monitoring (IIM).

The liquidity metrics will serve as a tool to facilitate the IAIS' monitoring of the global insurance industry's liquidity risk and for the IAIS to assess insurers' liquidity exposure. Insurers have been exposed to liquidity shortfalls in previous crises. The liquidity metrics aim to highlight potential vulnerabilities, risk drivers and trends of insurers and the insurance sector. They are not intended to be a binding regulatory requirement; rather they are used as a monitoring tool to gather information that will help identify trends in insurer and insurance-sector liquidity.

The public consultation builds on the Phase 1 outcomes and comments received in the interim public consultation. It consults on two approaches that the IAIS has developed to monitor liquidity risk:

- Company projection approach
- Exposure approach, including the Insurance Liquidity Ratio (ILR)

In addition to these two approaches, the IAIS is also consulting on aspects of insurers' own liquidity metrics. The IAIS plans to progress work on liquidity metrics during 2022, considering the feedback collected during this public consultation. Feedback is invited by **23 January 2022**.

To access the public consultation documents please click [here](#).

For more information contact Tomas Stastny at [tomas.stastny@bis.org](mailto:tomas.stastny@bis.org).

---

## **Supervisory guidance approved**

To support our Members with the practical implementation of IAIS supervisory material, the Executive Committee approved three papers for publication at its end of year meeting on 9-10 November:

### [Issues Paper on Insurer Culture](#)

This paper explores the role of insurer culture as a point of intersection for managing prudential and conduct risks. 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, in turn, potentially reduce the occurrence of widespread misconduct and possible financial and consumer harm. The paper also provides illustrations of selected cultural drivers using jurisdictional examples.

### [Application Paper on Supervisory Colleges](#)

This paper describes the processes and practices related to the establishment and functioning of supervisory colleges for insurance groups with cross-border activities. In particular, the paper supports observance of Insurance Core Principle (ICP) 3 (Information Sharing and Confidentiality Requirements) and ICP 25 (Supervisory Cooperation and Coordination). The paper fosters an understanding of the work of supervisory colleges and explains the role and involvement of insurers in supervisory colleges.

The paper was revised from its original version published in 2014 to reflect revisions to ICPs 3 and 25 and the adoption of ComFrame, as well as to include practical experience with establishing and managing supervisory colleges.

### [Application Paper on Combating Money Laundering and Terrorist Financing](#)

This paper provides guidance on money laundering and terrorist financing risks affecting the life insurance sector and proposes measures to mitigate the associated risks. The paper supports observance of ICP 22 (Anti-Money Laundering and Combating the Financing of Terrorism) and takes into account the FATF (Financial Action Task Force – the intergovernmental global money laundering and terrorist financing standard setter) Recommendations and their "Guidance for a Risk-Based Approach in the Life Insurance Sector".

The paper was revised from its original version published in 2013 to reflect subsequent developments, including the adoption of a revised ICP 22 and various updates of the FATF Recommendations.

A public session discussing all three papers will be held on 6 December. [Register here](#).

---

---

For more information contact the Secretariat at [iais-press@bis.org](mailto:iais-press@bis.org).

---

## Climate Training Alliance e-learning portal

During the 2021 UN Climate Change Conference (COP26) earlier this month, the IAIS launched the Climate Training Alliance (CTA) e-learning portal in collaboration with the Bank for International Settlements' Financial Stability Institute (BIS-FSI), The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and UN-convened Sustainable Insurance Forum (SIF).



The first month of the new portal has been a great success. More than 200 IAIS Members from across the globe have already signed up for the e-learning portal. The portal provides a range of climate risk training resources for central banks and supervisors and brings together FSI Connect tutorials based on handbooks, guidance and standards from the IAIS and others, as well as access to the trainings provided by financial authorities.

For insurance supervisors, the CTA portal includes a suite of training materials building on recent IAIS/SIF publications, such as the [IAIS/SIF Application Paper on the Supervision of Climate-related Risks in the Insurance Sector](#). It also hosts a brand-new training developed jointly with the Access to insurance Initiative (A2ii), which includes a case study by the Bank of England on how they have integrated climate related risks into their supervisory and regulatory framework.

The portal is accessible to IAIS, SIF and NGFS members only. Interested IAIS Members are invited to register for access to the portal by sending an email to [iais.fsiconnect@bis.org](mailto:iais.fsiconnect@bis.org).

For more information contact the Secretariat at [iais.fsiconnect@bis.org](mailto:iais.fsiconnect@bis.org).

---

## IAIS publishes 2020 Annual Report

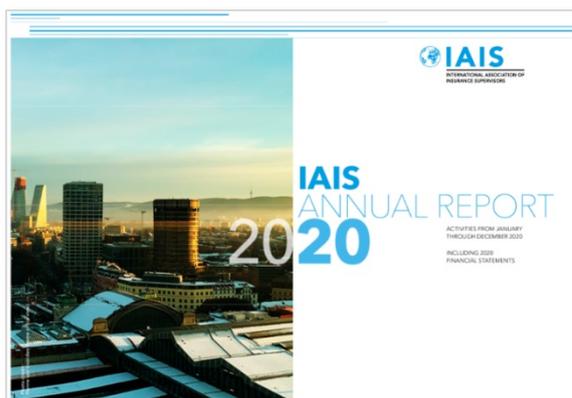
Following approval by the AGM, the IAIS published on 15 November its 2020 Annual Report. The Report focuses on how the Association adapted its work programme during the Covid-19 pandemic to focus on assessing the impact of the crisis and the risks posed to the global insurance sector. It also details the good progress made on IAIS objectives during this unprecedented year of disruption and change.

In a new Looking Ahead section, the report sets out upcoming work for key areas of importance for the global insurance sector such as climate risk, technological innovation, operational resilience, conduct and culture, and diversity, equity and inclusion.

To read further, download the full Annual Report [here](#).

For more information contact the Secretariat at [iais@bis.org](mailto:iais@bis.org).

---



## Stakeholder Engagement

### GFIA COP26 panel discussion

Vicky Saporta, ExCo Chair, [spoke on panel](#) at a conference on “The global insurance industry — a key partner in creating more sustainable and resilient societies” organised by the Global Federation of Insurance Associations (GFIA) on 4 November, which took place during the COP26 climate conference. Vicky noted the amplified work of the IAIS to assess and address risks from climate change. She set out the conclusions from the GIMAR special top edition, which assesses how insurance sector investments are exposed to climate change. She highlighted the importance of governments providing a clear climate policy framework so the insurance sector can understand the likely trajectory for addressing climate risk. Vicky also shared details about the IAIS’ climate work to undertake a gap analysis of global standards for insurance supervision; to share examples of effective practices for developing climate scenario analysis in the insurance sector; and to integrate climate-related financial risks in the annual GME data collection.



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

### High Level Meeting with the Geneva Association

On 29 November, members of the ExCo held a virtual meeting with Board members of the Geneva Association. Participants discussed key issues impacting the strategic direction of the insurance sector, including the impact of the pandemic, the low-for-long monetary policy environment and digital transformation. Participants also discussed the IAIS’ implementation of the Holistic Framework and the momentum of work on the global Insurance Capital Standard. Supervisors and insurers discussed the work they are undertaking to understand the impact of climate risk to insurer assets and liabilities.

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

## Meetings and Events

### Upcoming IAIS Meetings: December 2021 - January 2022

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

Members should visit the IAIS website at [www.iaisweb.org](http://www.iaisweb.org) for the latest updates. The following groups are scheduled to meet between December 2021 and January 2022.

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

Date	Group
<b>December 2021</b>	
1 December	Capital, Solvency and Field-Testing Working Group

1 December	Implementation and Assessment Committee - Emerging Market and Developing Economies joint meeting
2 December	Accounting & Auditing Working Group
6 December	<a href="#">Public session on newly released IAIS Application Papers</a>
8 December	Governance Working Group
9 December	Infrastructure Task Force
16 December	Resolution Working Group
<b>January 2022</b>	
11 January	Climate Risk Steering Group
25 January	Financial Inclusion Forum
26 January	Macprudential Monitoring Working Group

## Forums

Forums are an ongoing and flexible platform for technical experts to share insights and discuss developments in a specific area relevant for insurance supervision and regulation, including but not limited to supervisory practices, cross-cutting topics, and emerging trends. Forums are semi-permanent in nature and are characterised by offering innovative methods for Members to engage in IAIS work.

### Retirement Income and Pensions Forum | 30 November

Members of the Retirement Income and Pensions Forum (RIPF) discussed the GME and, in particular, what impact the low-for-long interest rate environment has on insurers providing pensions and retirement income products. The Forum was joined by insurers from a number of jurisdictions for perspectives on how firms are addressing related investment risks. The forum also considered various actions supervisors are taking to better assess these risks.

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

## Meet our Staff

Each month, get to know one IAIS staffer and a key project they are working on.



**Name:** Joanna Rakowska

**Current role:** Seconded Policy Adviser, Implementation and Assessment Committee (IAC)

**Time with the IAIS:** October-November 2021

**Last employer:** Austrian Financial Market Authority

**Favourite pastime:** Contemporary dance

Joanna joined the IAIS as a Policy Adviser on a two-month secondment with the Secretariat as a member of the Implementation team. Joanna supports the projects and activities of the IAC with a focus on capacity-building activities for Members from emerging markets.

Joanna joins the Secretariat from the Austrian Financial Market Authority where she coordinates the Austrian position and regulatory issues towards international organisations and supervisory authorities and provides support to insurance supervisors from Central, Eastern and South-eastern Europe, enhancing regulatory convergence in the region.

Joanna has been selected for this secondment opportunity with the IAIS due to her extensive experience within a supervisory authority, bringing valuable insight and a unique perspective to the capacity-building

work of the IAC. The Secretariat team welcomes her commitment and appreciates this opportunity to engage with her on-site. Joanna is happy to experience insurance supervision from a global perspective and to work as part of an international team.

Joanna holds a LL.M. in Law and Economics from the Erasmus University Rotterdam and Aix-Marseille Université (Aix-en-Provence) and a BSc. in Business Administration from the Vienna University of Economics and Business.

## Appointments

The Executive Committee on 15 November:

- Elected Shigeru Ariizumi (Japan) as ExCo Vice Chair;
- Appointed Petra Hielkema (EIOPA) as FinTech Champion; and
- Appointed Helen Rowell (Australia) as DE&I Champion (for more information on the Champions click [here](#)).

The Executive Committee recently made the following (re)appointments:

- Re-appointed Peter Braumüller (Austria) as Chair of the IAC; and
- Appointed Tony Chan (China, Hong Kong) as a Vice Chair of the IAC.

The Audit and Risk Committee (ARC) recently elected Clement Cheung (China, Hong Kong) as Chair of the ARC.

The Selection Committee recently made the following appointments:

- Markus Grund (Germany) as Chair of the Accounting & Audit Working Group (AAWG);
- Todd Coslow (USA, FRB) as Chair of the Operational Resilience Task Force (ORTF);
- Elise Tache (France) as Vice Chair of the Governance Working Group (GWG); and
- Andy Polacek (USA, FRB) as Vice Chair of the Macroprudential Monitoring Working Group (MMWG).

The Selection Committee recently made the following re-appointments:

- Anna Jernova (UK, PRA) as Chair of the GWG; and
  - Simona Murariu (UK, PRA) as a Vice Chair of the Standards Assessment Working Group (SAWG).
-

## Committee and Subcommittee Activities

### Committee Activities

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

#### Audit and Risk Committee

The Audit and Risk Committee (ARC) met on 2 November. At this meeting, Clement Cheung, CEO of the Hong Kong Insurance Authority, was elected as the next Chair of the ARC, for a one-year appointment beginning 15 November.

The ARC further approved a revised Risk Management Framework (RMF), which consolidates and updates risk management elements that were previously in place. The revised RMF sets out a comprehensive approach to managing risks across the Association.

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

#### Executive Committee

The Executive Committee (ExCo) met on 9-10 November. Over the course of the two days, ExCo:

- Approved the RMF;
- Approved the proposed 2022 Global Seminar fees;
- Approved the revised Application Paper on Supervisory Colleges;
- Approved the revised Application Paper on Combating Money Laundering and Terrorist Financing;
- Approved the revised MMoU FAQs;
- Approved the Issues Paper on Insurer Culture;
- Approved the launch of the Public Consultation on the Development of Liquidity Metrics – Phase 2;

- Approved the publication of the GIMAR 2021;
- Approved certain Subcommittee structural changes;
- Approved the publication of an IAIS statement on the importance of DE&I considerations in insurance supervision ([see News updates above](#));
- Approved the 2022 GIMAR special topic, on cyber risk, including cyber underwriting;
- Discussed an update on the development of an A2ii sustainability plan;
- Discussed a revised timeline for finalising and issuing the public consultation on draft criteria by which to assess whether the Aggregation Method (AM) provides comparable outcomes to the ICS; and
- Discussed the IAIS 2022-2023 forward work programme (Roadmap).

ExCo also met on 15 November. At this virtual meeting, ExCo:

- Elected Shigeru Ariizumi (Japan) as ExCo Vice Chair;
- Appointed Petra Hielkema (EIOPA) as FinTech Champion and Helen Rowell (Australia) as DE&I Champion; and
- Approved the schedule of in-person meetings for 2022.

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

#### Implementation and Assessment Committee

The Implementation and Assessment Committee (IAC) met on 3 November. During the meeting, the IAC:

- Agreed to recommend to ExCo the adoption of the revised Application Paper on Supervisory Colleges, revised Application Paper on Combating Money Laundering and Terrorist Financing and revised MMoU FAQs;
- Received updates on activities of Signatories Working Group (SWG), Standards Assessment Working Group (SAWG), Financial Inclusion Forum (FIF) and Access to Insurance Initiative (A2ii); and
- Discussed the IAIS 2022-2023 forward work programme (Roadmap) and A2ii sustainability plan.

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

---

### Macprudential Committee

The Macprudential Committee (MPC) met on 8 November. During the meeting, the MPC: Received an update on the activities of the Resolution Working Group (ReWG):

- Agreed to recommend to ExCo the launch of the public consultation on the development of Liquidity Metrics – Phase 2;
- Agreed to recommend to ExCo the publication of the 2021 Global Insurance Market Report (GIMAR);

- Approved the design of the 2021 Participating Insurer Reports;
- Agreed with the proposed scope, governance and timeline for the 2022 GIMAR special topic on cyber risk; and
- Discussed the IAIS 2022-2023 forward work programme (Roadmap).

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

---

### Policy Development Committee

The Policy Development Committee (PDC) met on 4 November. During the meeting, the PDC:

- Agreed to recommend to ExCo the adoption of the Issues Paper on Insurer Culture;
- Received updates on activities of Capital, Solvency and Field-Testing Working Group (CSFWG), Infrastructure Task Force (ITF), Governance Working Group (GWG), Operational Resilience Task Force (ORTF) and Resolution Working Group (ReWG); and
- Discussed the IAIS 2022-2023 forward work programme (Roadmap).

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

---

## Subcommittee Activities

### Macprudential Monitoring Working Group

The Macprudential Monitoring Working Group (MMWG) met on 18 November. During the meeting, the MMWG:

- Discussed the 2022 Global Monitoring Exercise;
- Discussed refinements to the Individual Insurer Monitoring methodology and the Sector-Wide Monitoring.

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

## Financial Stability Institute



*The Financial Stability Institute (FSI) was jointly created in 1998 by the Bank for International Settlements and the Basel Committee on Banking Supervision to assist supervisors around the world in improving and strengthening their financial systems.*

## New FSI Connect Tutorials

The FSI published a new [Executive Summary on the Insurance Core Principles](#) and a new suite of FSI Connect tutorials on policy responses to fintech (see preview [here](#)) based on [FSI Insights No 23 Policy responses to fintech: a cross-country overview](#).

## Access to Insurance Initiative (A2ii) Report



*The Access to Insurance Initiative (A2ii) is a unique global partnership which inspires and supports insurance supervisors in promoting access to insurance for underserved and low-income populations. It is the IAIS implementation partner on financial inclusion.*

## Useful resources on the A2ii website

- The [Insurance and the SDGs](#) pages
- The [Supervisory KPIs Lexicon](#)
- The [Inclusive Insurance Regulations map](#)
- The [ICP Self-assessment Tool](#)

## Recent Events

### Closing of the Second A2ii Inclusive Insurance Innovation Lab (iii-lab) | 11 November

The 11 November marked the official closing of the second A2ii **Inclusive Insurance Innovation Lab** - and we could not be prouder to report the results these teams achieved!

## Video report

We have released a special [video](#), where you can hear about the lab in the words of the lab members!



Click above to watch the video.

## A 20-month journey

From March 2020 to November 2021 four multistakeholder country teams from **Argentina, India, Morocco, and Rwanda** worked diligently on developing innovative solutions to advance inclusive insurance in their countries. Due to the pandemic what was initially planned as 15 in-person meetings, turned into an almost entirely online interaction among the participants using videoconferencing platforms and online whiteboards. As teams acknowledged the continued need for innovations in the inclusive insurance space, they put in considerable commitment and overcame challenges such as connectivity issues, conducting virtual learning journeys, increased care work needed at home and Coronavirus infections within the teams. Lasting relationships between key stakeholders from

the public and private sector were established and a total of eight prototypes developed.

Four country teams developed eight prototypes - watch the video for details.

💡 **Argentina** is launching a social media campaign #mejorconseguros to raise awareness about the importance of insurance for low-income women. The team is also working on developing a freemium business model.

💡 **India** has experimented with caller tunes to raise awareness and is working on a combi-product to offer better products and services to the low-income segment,

💡 **Morocco** has designed a digital interface using WhatsApp where clients can access a simple health insurance product, i.e. hospital cash, through chat and pay using loyalty points.

💡 **Rwanda** developed several insurance awareness programmes: an annual insurance week, radio and TV shows and university competitions.

If you wish to learn more about the second iii-lab's results watch out for our [Public Dialogue](#) taking place early 2022 (tbd).

We extend thanks to the lab teams for their dedication, commitment and their trust in our process in a disrupted pandemic time. We also thank our implementation partner **Reos Partners** and our funders **DGIS** and **BMZ**.

### *The third iii-lab focuses on climate*

The A2ii iii-lab is currently continuing in its [third edition](#) with a focus on **climate**. Country teams from **Costa Rica**, **Grenada**, **Zambia** and **Zimbabwe** started the programme in October 2021. More updates will follow in subsequent newsletters.

### **A2ii-IAIS Public Dialogue on Pandemic Risk: Opportunities to Improve Insurability | 25 November**



In the final Dialogue of 2021, the A2ii and IAIS organised a webinar on '**Pandemic Risk – Opportunities to Improve Insurability**'. The dialogue

was moderated by **Alistair Gough**, executive coordinator at the IAIS and lead on IAIS's work on pandemic risk protection gaps. The dialogue started off with a brief presentation that highlighted global proposals and initiatives to address pandemic risk in various jurisdictions. What followed was a panel discussion with **Hannah Grant**, Head of A2ii Secretariat, **Leigh Wolfrom**, Policy Analyst at OECD's Directorate for Financial and Enterprise Affairs, **Gunther Kraut**, Global Head of Epidemic Risk Solutions at Munich Re and **Suresh Mathur**, Executive Director at IRDAI.

The necessity of addressing pandemic risk protection gaps was underlined by **Hannah Grant**, who pointed out that there is a growing consensus that pandemic outbreaks will become more frequent and potentially more severe. Beyond business interruption, the pandemic has also exposed the extent of the global protection gap as a whole, which if left unaddressed, will continue to grow and contribute to global disparities.

Pointing to the protection gap, **Leigh Wolfrom** highlighted the significant gap between the amount of economic losses that result from catastrophe-related events and the share of those losses that are insured. Research done by the OECD revealed that for natural catastrophe perils, about 55%-60% of economic losses since 1990 were uninsured - and there were particularly high levels of uninsured losses from floods and earthquakes. Although current data for Covid-19 is subject to an ongoing debate about the applicability of insurance coverage, it is estimated that 99% of the revenue losses that businesses faced as a result of lockdowns and changing economic behaviours were uninsured.

**Gunther Kraut** highlighted the difference between pandemic and epidemic and different approaches to providing cover against such risks. There is an increasing trend of the frequency and severity of epidemic risks, and there are parameters in place that determine the difference between epidemics and pandemics.

Public-private approaches are key to ensure cover of these risks beyond relying on insurance alone. To wrap up the discussion, **Suresh Mathur** spoke about IRDAI's pandemic risk pool initiative and the incentive behind it,

including the role that insurance supervisors can play in such initiatives. Among other roles, IRDAI acted as a channel for engagement with industry, governments and policymakers in the creation of the pandemic risk pool.

For more information on what came out during the discussion, the recording is available on the A2ii [website](#).

### Twitter Interview on ‘The Role of Insurance Supervisors in Boosting Women’s Access to Insurance’ | 24 November

The A2ii hosted a [Twitter interview](#) with **Katherine Miles** and **Manoj Pandey**, A2ii - the authors of the report ‘**The Role of Insurance Supervisors in Boosting Women’s Access to Insurance**’. The conversation touched on the role of insurance supervisors in boosting women’s access to insurance, the impact of the Covid-19 pandemic, the importance of considering women-specific needs, the necessity of collecting sex-disaggregated data, and more. The questions and answers can be viewed on the [A2ii twitter account](#) and through the hashtag [#a2iiTwitterview](#).



**a2ii LIVE**  
on Twitter

24 November 2021 at 16:00 CET

on the findings of our report on  
‘The Role of Insurance Supervisors in Boosting Women’s Access to Insurance’

with the authors of the report  
**Katherine Miles** and **Manoj Pandey**

#a2iiTwitterview & #a2iiigender

[@A2ii\\_org](#)  
[@katherinesmiles](#)  
[@A2iiManoj](#)

Keep an eye on the [A2ii blog](#) where an extended Q&A based on the interview will soon be published.

See also the [recording](#) of the A2ii-IAIS Public Dialogue from May on Women’s Access to Insurance, available in French, Spanish, and English.

### A2ii-IAIS-SIF welcome supervisors to a new training module: Supervision of climate-related risks in the insurance sector | 11 November

The newly launched training module ‘**Supervision of climate risks in the insurance sector**’ is a result of collaboration between the [Access to Insurance Initiative](#) (A2ii), the [International Association of Insurance Supervisors](#) (IAIS) and the [UNDP Sustainable Insurance Forum](#) (SIF). It aims to support supervisors with integrating climate risk considerations into their regulatory frameworks and show how supervisors can work with insurers to highlight the climate change impact on businesses and portfolios.



The module covers the key aspects of the recently published IAIS-SIF [Application Paper on Supervision of Climate-related Risks in the Insurance Sector](#):

- Supervisory review and reporting (ICP 9)
- Corporate governance, risk management and internal controls (ICP 7 and 8)
- Enterprise risk management for solvency purposes, including scenario analysis and stress testing (ICP 16)
- Investments (ICP 15)
- Disclosures (ICP 20)

Integral to the module is the **Bank of England’s Case Study** from the **Prudential and Regulatory Authority** on integrating climate change risks into the UK’s supervisory framework. The Case Study includes considerations for supervisors on assessing climate risk against regulatory objectives and developing a supervisory plan on climate-related financial risk.

Access to the training module is open to the [public](#) as well as to all supervisors who have an account in the [A2ii Connect Member Area](#).

We welcome new registrations to our platform from supervisors who wish to request an account to track their progress in the module or to participate in the discussion.

The module is also hosted on the Climate Training Alliance (CTA) Portal, which was recently launched by the IAIS, Bank of International Settlements (BIS), The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and the SIF. To register for the CTA Portal, follow the link to the [IAIS Member Area](#).

**Sessions at the International Conference on Inclusive Insurance (ICII) | 26 and 29 October**



A2ii moderated **session 7** organised by the IAIS Financial Inclusion Forum (FIF) during the second day of the **International Conference on Inclusive Insurance (ICII)**. The topic was **'Will insurance be more inclusive in a post-pandemic world? Supervisory and policy perspectives'**.

Speakers included **Tomás Soley**, Superintendent at Superintendencia General de Seguros, Costa Rica and Chair of the IAIS Financial Inclusion Forum, **Manuela Zweimueller**, Head of Implementation, International Association of Insurance Supervisors, **Miles Larbey**, Head of Financial Consumer Protection from the OECD and **Nilhofer Sohail**, Head of Channel Strategy & Execution of EFU Life, Pakistan.



A2ii participated in **session 20** of the ICII titled **'How can insurance supervisors adapt to drive innovations?'**.

The panel discussed the risks and opportunities in innovation and emphasised that both regulators and industry need to be open to engagement. **Hui Lin Chiew** (A2ii) highlighted how the mandates of insurance supervisors across developing countries have shifted in recent years, the front-of-mind new risks from innovation for insurance supervisors, and pointed out the A2ii [Supervisory KPIs Lexicon](#), a tool that supervisors can use to more methodically monitor and measure gaps in market development.

**The Geneva Association’s 2021 General Assembly, ‘Mitigating Widening Economic Inequality: Which role for the insurance industry?’ | 11 November**



**Hannah Grant**, Head of Secretariat at A2ii participated on a high-level hybrid panel alongside **Preeti Sinha**, Executive Secretary, United Nations Capital Development Fund (UNCDF) and **Andrew Kuper**, CEO, LeapFrog Investment. The panel was moderated by **Charley Lowrey**, Chairman and CEO of Prudential Financial.

Drawing from a 2020 Geneva Association report on the [role of insurance in mitigating social inequality](#), the panel explored the vital

role that insurance can, and is playing, in bridging inequality and exchanged ideas on how the insurance sector could make an even greater contribution. Opportunities provided by technological developments, and greater risk awareness arising from Covid-19 were emphasised as well as the significant steps taken by some insurance supervisors to support market development in their jurisdictions. The panel also discussed the challenge of reaching scale and the need to develop successful partnerships, both with innovative distribution channels, as well as governments who could potentially support through subsidising products.

### Upcoming Events

#### **AITRI-A2ii-IAIS Workshop on Leveraging Technology for Better Supervision | 30 November – 1 December**

The **ASEAN Insurance Training & Research Institute (AITRI)** is hosting a virtual programme on Leveraging Technology for Better Supervision.

Supported by **A2ii** and **IAIS**, the virtual programme will take place on 30 November – 1 December 2021, from 3:00p.m. to 5:00p.m. (MYT).

The objective is to provide participants with a deeper appreciation of the opportunities and challenges for supervisory and regulatory authorities in using technology as well as promote learning from best practices and experiences of peers. The programme is designed for Asia and Pacific supervisors who are involved in the design, development and use of Regulatory Technology (RegTech) and Supervisory Technology (SupTech) and in off-site supervision. [Click here](#) for more information and to register.

### Blog

#### **Supervision of climate-related risks in the insurance sector**



By Carolyn Barsulai

Climate change is no longer seen as a projection for emerging or new risks but an ongoing reality that threatens the stability of the financial system and the insurance sector as a whole. Supervisors are increasingly recognising the importance of their role in addressing climate risks. In some jurisdictions, supervisory authorities have launched various initiatives to address climate-related risks in their markets. [Read more...](#)

---

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

**About the IAIS**

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

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

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

International Association of Insurance Supervisors  
c/o Bank for International Settlements  
CH-4002 Basel  
Switzerland

Tel: +41 61 280 80 90  
Fax: +41 61 280 91 51

[www.iaisweb.org](http://www.iaisweb.org)



**For up-to-date news, follow us on LinkedIn**

The publication is available free of charge on the IAIS website ([www.iaisweb.org](http://www.iaisweb.org)).

© International Association of Insurance Supervisors 2021. All rights reserved. Brief excerpts may be reproduced or translated provided the source is stated.