

# Newsletter

January 2017

Issue 60



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## Calendar Notes

**Save the date:** The 24<sup>th</sup> IAIS Annual Conference will be held in Kuala Lumpur, Malaysia from 2-3 November 2017. The theme is *“Insurance Supervision: Looking Beyond...”*

For IAIS Members, the Annual Conference will be preceded by committee meetings from 30 October to 1 November and the Annual General Meeting on the morning of 2 November 2017.



**Kuala Lumpur, Malaysia**

IAIS Annual Conference, 2-3 November 2017

For more information or to subscribe to the newsletter and e-mail alerts, please visit [iais@bis.org](mailto:iais@bis.org). Comments and suggestions are always welcome.

## From the Secretary General

The IAIS Executive Committee (ExCo) held its 2017 retreat in La Jolla, California on 15-16 January, in conjunction with a stakeholder meeting focused on the Insurance Capital Standard (ICS), Insurance Core Principles (ICPs) and ComFrame on 17 January and a Financial Stability and Technical Committee (FSTC) meeting on 17-18 January.

The stakeholder meeting was very well attended as work continued on the completion of ICS Version 1.0 for extended field testing in June 2017. Version 1.0 for extended field testing will be an important milestone on the path to delivering ICS Version 2.0 in late 2019 and making it available for implementation beginning in 2020. The ExCo reaffirmed its commitment to these timeframes.

Importantly, the ICS is being built for IAIGs which are multi-national, where supervisors from all over the world have an interest in their supervision at the group-wide level. It is not meant for groups or legal entities based in a single jurisdiction. ComFrame, including the ICS, is meant to be a minimum standard, which jurisdictions that are group-wide supervisors should aspire to implement, so that IAIG supervision is more effective for all interested supervisors for the benefit of policyholders and financial stability.

We also made steady progress in revising ICPs and the integration and further development of ComFrame. At the stakeholder meeting, we presented what will become a new format for ComFrame text as it is integrated into the ICP format. We plan to launch a number of public consultations in March. During its retreat, ExCo agreed to focus additional attention on emerging economies and consider ways to implement this commitment at future meetings.

In short, at La Jolla we made tremendous progress on our key issues thanks to the goodwill of the Members and their continued commitment to IAIS goals.



## IAIS Releases 2016 Global Insurance Market Report

*Report shows that the insurance industry continues to remain well-functioning and stable while operating in an increasingly difficult macroeconomic and financial environment*

This IAIS has released the 2016 edition of the Global Insurance Market Report (GIMAR). This report discusses the global (re)insurance sector from a supervisory perspective, focusing on the recent performance of the sector as well as key risks faced by it. During the current year, the (re)insurance sector has remained well-functioning and stable, as evidenced by high capital levels, positive profitability, and a persistent inflow of additional capital.

The (re)insurance sector operates in an increasingly difficult macroeconomic and financial environment, characterised by weak global demand, low inflation rates, very low and partially negative interest rates, and bursts of financial market volatility. This environment is challenging long-established business models of various insurance companies, mainly life insurers, as demonstrated by recent official stress test results and scenario analyses.

Non-life (re)insurance continues to be subject to soft market conditions. Premiums charged by non-life (re)insurers in the commercial lines, property and catastrophe markets remain under pressure, partly due to increasing competition, while investment yields decline gradually. Competition is especially strong in the reinsurance market. Reinsurers are facing competitive pressures and changing demand from cedants while investment yields remain low and the possibilities of reserve releases diminish.

The prolonged low interest rate environment is a source of vulnerability for life insurers, especially in Europe. Low interest rates are gradually eroding life insurers' capital positions, particularly for those companies offering products with long-term guaranteed rates and large duration mismatches between assets and liabilities. The longer that rates are low, the more investment of premium income and reinvestment of maturing investments—as far as assets and liabilities are mismatched—will have to be done at prevailing low interest rates; and the more insurers will need to respond, for example by repricing or redesigning products to reflect these lower rates. Moreover, life insurers are under pressure to improve their expense management and to reduce costs. For some life insurers, the costs of equity currently exceed the return on equity. This gap is not sustainable in the long run, since life insurers will not be able to deliver the return required by equity investors. Over time, this will make it difficult for life insurers to attract capital and finance growth.

From a macroprudential perspective, in order to safeguard the stability of the financial system and economies in the future, it is essential for insurers to respond to an accumulation of risks and structural changes that are a source of potential vulnerability. Insofar as insurance companies' profitability is declining, they need to formulate business plans to stabilise and improve their future profitability. Another important challenge is to strengthen the ability of insurers to respond to risks in areas where they are increasing their risk-taking. An example is life insurers that may be tempted, or effectively even be required, to shift their investments to riskier assets in response to the low interest rate environment, or non-life (re)insurers that aim to preserve or even grow their activities in the current soft market environment, and to avoid the "Winner's Curse" of under-pricing in order to receive business. Given the importance of large insurance companies to the financial system and the economies in which they operate, it is important they maintain a solid financial base and strengthen business management frameworks to manage the accumulation of risks, as well as being prepared to respond in an orderly manner in times of stress.

The issues highlighted above are developed and further discussed in the four chapters that make up the 2016 GIMAR. Chapter 1 analyses the overall macroeconomic and financial environment. Chapter 2 focuses specifically on global insurance market developments, while Chapter 3 contains a variety of special topics that focus on regulatory, financial and economic developments and risks. One such section looks at relations between climate change, insurance and regulation. Another discusses recent developments in insurance risk transfer to the capital markets. Additional special topics cover first

experience with Solvency II, the results of EIOPA's 2016 insurance stress test and financial markets and insurers' search for yield. Chapter 4 provides a summary of the IAIS survey of the global reinsurance market. It documents a unique global data set made possible by the participation of 44 reinsurers in nine jurisdictions in North America, Europe and Asia, and links the financial position of reinsurers to the broader financial economy by a discussion of the inter-linkages between the reinsurance sector and other financial sectors.

To access the 2016 GIMAR, please click [here](#).

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## Stakeholder Engagement

### *ICS/ICP/ComFrame Stakeholder Meeting in La Jolla, California*

The IAIS held a very successful stakeholder meeting in La Jolla Torrey Pines with approximately 80 Stakeholders from 12 countries [Belgium, Bermuda, Canada, Chinese Taipei, Finland, France, Germany, Japan, Netherlands, Switzerland, United States (U.S.) and the United Kingdom] and 70 IAIS Members. Victoria Saporta, ExCo Chair, welcomed everyone and thanked the National Association of Insurance Commissioners for graciously hosting the meeting before providing a summary of key decisions taken by the Executive Committee during its annual strategic retreat (see p 6 of this newsletter).

Ms. Saporta also thanked FSTC Chair, Michael McRaith, for his exemplary service to the supervision of the insurance sector both within the United States and globally. He resigned his position as Director of the Federal Insurance Office at the U.S. Department of the Treasury on 20 January. Michael provided strong leadership within the IAIS over the past five years. Ms Saporta announced that Elise Liebers from the NAIC has been appointed Acting Chair of the FSTC.

The stakeholder meeting agenda covered the major topics of ICS and proposed consultations on various ICPs and the related ComFrame supervisory material.

In relation to the ICS — a key part of the ComFrame project — ExCo reviewed the timelines and agreed to maintain the target dates of 2017 for Version 1.0, which is intended for extended field testing and 2019 for Version 2.0, which is intended for implementation. Once ComFrame (including the ICS) has been implemented by jurisdictions, there is an expectation of supervisory consequences for IAIGs that do not meet the ICS requirements.

As it prepares 2019 ICS Version 2.0, the IAIS and its Members have committed to extend field testing to all IAIGs and other interested firms. The IAIS will also clarify what is expected from IAIGs and their supervisors during the period of annual field testing from 2017 to 2019. Confidential reporting of Version 1.0 was originally intended as an expansion of the annual field testing process through which a broader group of volunteers would be encouraged to provide confidential ICS data and calculations on a narrower set of options than the full field testing process. This concept of "confidential reporting" has caused some confusion, as all data collected during the annual field testing process are kept strictly confidential, of course. Accordingly, we will now clarify the process that will follow agreement on Version 1.0 by directly describing it as extended field testing of Version 1.0 to a larger set of potential IAIGs and other interested firms. Please note that the overall timelines for the ICS project are not changing.

Decisions occurring for the ICS through June of this year include the following:

- Development of the two valuation approaches (the market adjusted valuation approach and the GAAP Plus approach) and of the capital resources framework.
- Approaches to MOCE and market risks.

- Approaches to catastrophe and latent liability risk, operational risk and asset concentration risk.
- Approaches to life, non-life and credit risks.
- Approval of ICS Version 1.0 for extended field testing.

It is very important for existing volunteers to stay engaged in the ICS project to ensure that the ICS design and calibration have regard to as many business profiles as possible. If other insurers want to participate, we encourage them to become volunteers and to begin discussions with their supervisors as soon as possible.

The ICS updates were delivered by the CSFWG (Capital, Solvency and Field testing Working Group) leadership, Paolo Cadoni, Chair from the Bank of England, Vice Chairs, Tom Finnell, from the Federal Insurance Office at US Treasury and John Maroney from the IAIS Secretariat, and also by Peter Windsor from the Secretariat.

The final session was chaired by Urs Halbeisen, FSTC Vice Chair, from Finma in Switzerland. Urs is also Chair of the IAIS Resolution Working Group. Urs was supported by Catherine Lezon from the Secretariat, Ryan Workman, Chair of the Supervisory Materials Review Task Force from the NAIC and Grzegorz Komarnicki and Peter Windsor from the Secretariat.

The following stakeholders made formal presentations:

- Geneva Association (Dennis Noordhoek, Advisor, Financial Stability and Regulation)
- Institute for International Finance (George Brady, Senior Advisor and Insurance Lead, Regulatory Affairs)
- International Actuarial Association (Dave Sandberg, Chair of the Insurance Regulation Committee)
- MetLife (Steve Belcher, Vice President – Global Insurance Accounting Policy)

#### *Accounting and Auditing Working Group to Receive Stakeholder Feedback*

Interested stakeholders are invited to participate in a teleconference on Thursday, 2 March from 14:00 to 14:45 CET (Basel time) during a meeting of the Accounting and Auditing Working Group (AAWG) in Basel. The focus on the teleconference will be to update interested stakeholders on the current status of work activities and plans going forward, as well as to gather feedback from interested stakeholders on various matters of mutual interest. Topics of particular interest at this time include:

- Implementation considerations with the forthcoming IFRS 17.
- Insurer public disclosures/transparency as a regulatory tool.
- Initiatives to enhance insurer audit quality.

In order to determine the approximate number of callers the teleconferencing facilities will need to accommodate, please e-mail Mark Causevic at [mark.causevic@bis.org](mailto:mark.causevic@bis.org) by 18:00 CET (Basel time), Monday, 20 February, if you would like to participate. The dial-in number/code will be subsequently provided to all interested stakeholders planning to participate in this session.

### *IAIS Feedback Period for Draft Stakeholder Engagement Plan Closes*

The period for submitting feedback on the IAIS Draft Stakeholder Engagement Plan closed on 20 January 2017. The IAIS received comments from 19 entities. The Stakeholder Engagement Task Force will review these comments over the coming weeks prior to finalising a draft plan for Executive Committee review.

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

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### **Upcoming IAIS Meetings**

*February – March 2017*

<b>Date</b>	<b>Group</b>
1-3 February	Capital, Solvency and Field Testing Working Group
6-7 February	Supervisory Materials Review Task Force (Paris)
6-10 February	Capital, Solvency and Field Testing Working Group
7-8 February	Market Conduct Working Group (Paris)
9-10 February	Governance Working Group (Paris)
27 February-1 March	Parent Committee Meetings
1-2 March	Accounting and Auditing Working Group
6-10 March	Capital, Solvency and Field Testing Working Group (New York)
23-24 March	Insurance Groups Working Group (Rome)

*All meetings will be held in Basel unless otherwise noted. Please visit the IAIS website for more information on a specific meeting and to confirm dates and locations.*

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## Committee and Subcommittee Activities

### Executive Committee

*Annual strategic retreat held in La Jolla on 15-16 January*

During its annual strategic retreat held on 15-16 January in La Jolla, California, ExCo discussed numerous issues, including:

**Emerging markets strategies.** At its November meeting in Asuncion, ExCo recognised the need to better engage with and provide services to the emerging market Members within the IAIS. These members account for around two-thirds of the IAIS membership. During the La Jolla meetings, ExCo received a detailed report on ways to achieve this goal. In response, ExCo agreed to take the following steps:

- Create a dedicated leadership position for a representative from an emerging market jurisdiction. To the extent an emerging market is not otherwise represented by an ExCo Chair or Vice Chair, ExCo will allot an additional Vice Chair position to such a member going forward.
- Form a small group of ExCo members representing emerging markets to advise ExCo on emerging market issues and contribute to the upcoming revision to the [Coordinated Implementation Framework](#).
- Develop a virtual platform and Q&A platform to help keep Members informed of relevant issues and allow for an exchange of information.
- Enhance the IAIS relationship with key partners such as the A2ii and Financial Stability Institute.
- Further explore specific measures the IAIS can take to support and engage its emerging market members.

**IAIG and G-SII-related strategies.** The Committee agreed to establish a new Systemic Risk Assessment Task Force (SRATF) to develop an activities-based assessment approach to identifying systemic activities,

improve cross-sectoral consistency in systemic risk assessments, and handle the next planned set of revisions to the G-SII Assessment Methodology, taking the above into account.

**Development of the ICS.** The Committee received an update on ICS development and discussed priorities for matters to be decided for ICS Version 1.0 versus Version 2.0. It was agreed that ICS Version 1.0 will remain a deliverable in June 2017 for extended field testing by all IAIGs (see p 3 of this newsletter for more details) and contain a narrower set of options for purposes of extended field testing by all IAIGs. Members also agreed to encourage all IAIGs within their respective jurisdictions and other firms that may not qualify as IAIGs but are nonetheless interested, to participate in extended field testing of the ICS from 2017-19. Finally, ExCo agreed to maintain Version 2.0 as a goal in 2019.

**IAIS Activities, Priorities and Structures.** ExCo members discussed how the strategic decisions taken during the meeting would be operationalised. The Coordination Group was asked to consider several operational internal cooperation and coordination issues and report back to ExCo. It was also agreed to examine the organisation of IAIS Committees to determine if improvements can be made.

The Chair thanked Michael McRaith for his years of dedication to the IAIS as the Chair of the Technical Committee, Chair of the FSTC and member of the Executive Committee. Elise Liebers, a Vice Chair of the FSTC, was announced as the Acting Chair of the FSTC.

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### Financial Stability and Technical Committee

*Meeting in La Jolla on 17-18 January*

At its 17-18 January meeting in La Jolla, the FSTC discussed a number of issues related to preparation of ICS Version 1.0; in particular, discounting in market Adjusted Valuation (MAV), GAAP with Adjustments (“GAAP Plus”)

Approach and the approach to capital resources.

The committee also discussed issues related to developing the consultation package of revised ICPs and ComFrame material to be released for public consultation in March 2017.

Finally, the committee discussed preparation for the 2017 G-SII exercise.

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## Implementation Committee

*Working Party Chairs of the Implementation Committee met in La Jolla on 14 January*

The Working Party Chairs and Vice Chairs of the Implementation Committee met in La Jolla to discuss the Implementation Committee's Workplan for 2017 and the Executive Committees' Emerging Markets paper.

Key discussion items include:

- initiatives that could enhance the engagement of emerging .
- implementation monitoring and the IAIS assessment programme going forward.
- proposals to enhance participation in the financial inclusion working group.
- ideas on how enhance supervisory cooperation and information exchange.

A summary of discussions will be presented at the Implementation Committee meeting in February 2017.

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## Capital, Solvency and Field Testing Working Group

The Capital, Solvency and Field Testing Working Group (CSFWG) did not meet in January. In the week beginning 23 January, the

field testing data analysis with respect to the ICS continued with the focus turning to MOCE and market risks: interest rate risk, equity risk, real estate risk and currency risk. This data analysis work will inform the CSFWG in making recommendations to the FSTC on these subjects. Work continued on other topics as well that will be subject to CSFWG and FSTC consideration later in this quarter, including non-life calibration, scope of group, health risk and the life insurance risks (mortality, longevity, lapse and expense). Subsequent to the decisions in the Executive Committee and FSTC, work continued on refining the two valuation approaches and capital resources.

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and [jules.gribble@bis.org](mailto:jules.gribble@bis.org)

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## Market Conduct Working Group

The next meeting of the Market Conduct Working Group will take place on 7-8 February, where the main topics for discussion will be the review of ICPs 18 (Intermediaries) and 19 (Conduct of Business) and the commencement of work on an Issues Paper on the increasing use of digital technology in insurance.

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## Resolution Working Group

The Resolution Working Group will meet on 25 and 26 January in Basel to further develop ICP 12 (Winding Up and Exit from the Market), including ComFrame text.

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## Access to Insurance Initiative (A2ii)



*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.*

### Recent Events

**8th Consultative Forum on opportunities and challenges presented by alternative distribution channels held, 1 December 2016, San Jose Costa Rica.** Gathering approximately 60 participants from Latin American and Caribbean insurance supervisory authorities and industries, the Forum shone light on how client aggregators, like Mobile Network Operators (MNOs), retailers, utility companies and e-money providers, have changed the inclusive insurance landscape and some best practices for dealing with these changes.

Some of these mass distribution channels work with national agents, brokers or global intermediaries/ technical service providers, whereas others sell insurance directly to the client. The aggregators can deliver insurance products through leapfrogging their infrastructure for client identification, sales, administration and payments, often also involving call centres. They can greatly expand the reach of microinsurance to previously unserved consumers. However, the trade-off may be product design that does not cover peoples' most important risks, high commission rates or low consumer understanding while face-to-face interaction is limited, all of which can result in questionable product value and low claims ratios.

During the forum, regulators and supervisors discussed ways they can ensure consumer protection while stimulating new distribution channels. It is imperative for regulators, insurers and the intermediaries in the different channels to work together to achieve this balance.

Supervisors need to enforce quality control measures upon the insurance companies and their channels. Meanwhile, insurers need to simplify their product and use a multi-channel approach for different target groups. Additionally, the regulation needs to be flexible to protect consumers and stimulate innovation.

The forum took place just a week after Hurricane Otto hit Costa Rica. Tomás Soley of Superintendencia General de Seguros de Costa Rica (Sugese) remarked at the start of the Forum that: "farmers and other rural people faced high uninsured losses. Insurers and regulators should recognise the importance of sustainable products for the low-income people and farmers."

Connor Donaldson of the International Association of Insurance Supervisors (IAIS) noted that "the input for the development of appropriate regulations comes from conferences like this and from participants like you. We learn lessons and apply them directly in our supervisory material. Technology is driving a significant shift in the landscape."

The IAIS, the Microinsurance Network (MIN), the A2ii and the Sugese jointly organised the Forum.

**ADB Regional Workshop for Pacific Islands Insurance Supervisors on Insurance Regulation and Market Development, 1-9 December 2016, Sydney, Australia.** The A2ii attended the Regional Workshop for Pacific Islands Insurance Supervisors on Insurance Regulation and Market Development organised by the Asian Development Bank (ADB). Twenty-two Pacific Island supervisors took part.

A key focus of the workshop was risk-based supervision supported by discussions in the context of smaller insurance markets and informal institutions. The workshop also explored market development topics, such as inclusive insurance regulations and insurance for small and medium enterprises.

The A2ii presented a snapshot of different inclusive insurance regulations from around the world, characteristics of inclusive insurance regulatory frameworks and challenges supervisors face in implementing them. This was discussed in the context of proportionality and ICP guidance. Participants raised



interesting questions on the different regulatory approaches that could be deployed. The session ended with a roundtable for participants to share what their immediate regulatory development priorities were.

## Upcoming Events

**Mobile Insurance Conference, 23 – 24 February 2017, Douala, Cameroon.** This conference will delve into the unique regulatory challenges and opportunities of using mobile insurance to make inclusive insurance at scale a reality. It will shine a light on the rising trends on digital technologies and mobile insurance, prudential and market conduct risks arising from mobile insurance, current regulatory approaches and take a deeper look at key regulatory considerations: cooperation across different regulatory authorities, data protection and building consumer awareness. Register: <https://a2ii.org/en/event/save-date-iais-a2ii-cima-mobile-insurance-conference>.

## Recent Publications

**Briefing Note on 7th Consultative Forum.** The briefing note summarises the key points discussed during the 7th Consultative Forum in Colombo, Sri Lanka, on “The role of mutuals, cooperatives and community-based organisations (MCCOs) in inclusive insurance markets,” held last November 2016 in Colombo, Sri Lanka. The briefing note also provides key recommendations for policy makers, supervisors and MCCOs.

Download:  
[https://a2ii.org/sites/default/files/events/20170104\\_cf7\\_report.pdf](https://a2ii.org/sites/default/files/events/20170104_cf7_report.pdf).

**Report on Financial Education: Challenges, Trends and Measures of Success in Supporting Financial Inclusion in Sub-Saharan Africa.** The report summarises the key take-aways and recommendations of the seminar on “Financial Education: Challenges, Trends and Measures of Success in Supporting Financial Inclusion in Sub-Saharan Africa,” held in September 2016 in Sandton, South Africa.

Download:  
<https://a2ii.org/en/report/regional-thematical/report-financial-education-challenges-trends-and-measures-success>.

**Briefing Note on “The Role of Insurance Regulation in Promoting Inclusive Insurance for Women.”** This paper aims to inspire momentum and increase awareness among insurance supervisors of the transformative potential of gender approaches. It explains how supervisors have started to consider gender dimensions in their work, in particular by exploring differences in access to insurance between women and men. It also emphasises the relevance of women’s access to insurance in the context of financial inclusion policymaking.

Download:  
<https://a2ii.org/en/report/thematical/role-insurance-regulation-promoting-inclusive-insurance-women>.

## Year-end Message from the A2ii Secretariat

Access to insurance remains a key challenge for many low-income populations around the globe. Since our founding in 2009, the A2ii has made significant progress in supporting supervisors and regulators to create necessary conditions for inclusive insurance markets to grow and bring insurance to the doorstep of everyone who needs it.

We would like to take this opportunity to look back on what we achieved in 2016 as well as look forward to some of the highlights coming up in 2017.

### 2016 Highlights

**Established first regional hub:** In September 2016, Janice Angove took up the position of Sub-Saharan Africa regional coordinator. The position is hosted by the South African Financial Services Board in Pretoria, South Africa

**Increased our accessibility:** In December 2016, for the first time the A2ii ‘live streamed’ one of its Consultative Forums thus enabling many more individuals to benefit from the event. Overall, 385 viewers from nine different countries tuned in.

**Engaged more with other supervisory authorities of importance to insurance supervisors:** In May 2016, the A2ii partnered with CIMA to organise a workshop on mobile

regulation in the Ivory Coast. The workshop was attended by the central bank, telecommunications authorities as well as CIMA and national insurance supervisory authorities. In September 2016, the A2ii together with FSB and FinMark Trust organised a financial consumer education workshop this was attended by government ministries, central bankers, pension authorities as well as insurance supervisors.

**Spurred greater global action on (insurance) financial consumer education:** The seminar organised in South Africa motivated the OECD International Network on Financial Education (INFE) to re-establish its insurance working group. It also helped to kick start the process to develop a Global Declaration on Financial Literacy at the OECD.

**Increased our capacity building activities:** The A2ii organised six Consultation Calls providing approximately 250 supervisors with a chance to discuss with an expert and their peers on emerging topics such as access to insurance for migrants, data protection challenges in mobile insurance, as well as proportionate frameworks and approaches in insurance supervision, regulation and market development of inclusive insurance. To access the consultation call presentations and notes, visit <https://a2ii.org/en/knowledge-centre/iais-a2ii-consultation-calls>.

We also organised three Consultative Forums together with the IAIS, the Microinsurance Networks and other local partners on: (1) "Innovative products for the emerging consumer" in Marrakesh, Morocco; (2) "The role of mutuals, cooperatives and community-based organisations in inclusive insurance markets" in Colombo, Sri Lanka; and (3) "Challenges and opportunities presented by alternative distribution channels" in San Jose, Costa Rica. Together with the IAIS, Toronto Centre, and other partners, we organised two inclusive insurance training seminars for insurance supervisors in Asia (Bangkok, Thailand) and in Sub-Saharan Africa (Cairo, Egypt).

We spoke at 17 partners' events sharing our knowledge whilst increasing the impact and outreach of our work.

**Launched new knowledge products:** We kicked off a new policy note series starting with

the topic "How agricultural insurance can improve food security – and why regulation matters." Additionally, we've released a report on "Proportionate Regulatory Frameworks in Inclusive Insurance: Lessons from a Decade of Microinsurance Regulation." Visit our Knowledge Hub to access these reports: <https://a2ii.org/en/knowledge-centre/reports>.

**Contributed to IAIS Supervisory Materials:** We actively participated in five different drafting groups on the topics of digital financial inclusion, index based insurance, mutuals cooperatives and community based organisations (MCCOs), actuarial practices in inclusive insurance and product oversight. In addition, we participated in the work of the IAIS Supervisory Material Review Taskforce which has an overarching role in overseeing any changes to the ICPs.

**Enhanced awareness raising efforts:** This year, we've produced 11 newsletters and seven newsflashes and updated the A2ii Factsheet. To access A2ii Newsletter archive, visit: <https://a2ii.org/en/knowledge-centre/newsletter>.

### 2017 Highlights

2017 will be another year of implementation, particularly in the African, Latin American and Asian regions. As a response to the demands of supervisors, A2ii will increase its capacity building programmes and events and seek to strengthen and make better use of the full range of peer to peer support mechanisms our close relationship with the IAIS affords us.

Knowledge generation will also remain core to our agenda along with feeding the learnings from our work on the ground back into the development of new IAIS supervisory materials.

2017 will also be a year of innovation as we launch the Inclusive Insurance Innovation Lab, a new platform to nurture innovation and leadership capabilities of supervisors.

For more information on our plans for 2017 and upcoming events, please visit the A2ii website.

Download the key highlights here: [https://a2ii.org/en/system/files/consultationcalls/a2ii\\_newsletter\\_dec\\_2016\\_3.pdf](https://a2ii.org/en/system/files/consultationcalls/a2ii_newsletter_dec_2016_3.pdf).

**About the IAIS**

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

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

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

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