

May 2022 | Issue 113

Newsletter

From the Secretary General



With less than two weeks to go before the IAIS committee meetings and [Global Seminar](#), the Secretariat is currently focused on the important issues we will discuss in Dubrovnik. Since we last met in person more than two years ago, the

global insurance supervisory community has risen to the unprecedented challenges of maintaining financial stability and policyholder protection in the face of a worldwide pandemic and the impact of a war in Europe.

Panel discussions at the Global Seminar will cover some of the key challenges facing supervisors and insurers as we seek to maintain the resilience of the sector.

Our panels will start with an important discussion on inclusive insurance, at a time when many households and businesses are increasingly vulnerable. It will examine how inclusive insurance can help address inequality and promote sustainable development. The panel will discuss innovative solutions to address protection gaps and changing customer needs in a post-pandemic world.

Next will be a deep dive to consider insurance supervisors' practices on climate risk scenario analysis, with a focus on the steps the IAIS is taking to support supervisory capacity building and collaboration. The panel will touch on the importance of data availability for effective analysis and how this informs the climate data being gathered as part of the IAIS' annual Global Monitoring Exercise.

At a time of increasing cyber risks, we will bring together a panel to consider the IAIS' work on operational risks, cyber resilience and cyber underwriting. This includes the IAIS' work on assessing global cyber risk data for this year's Global Insurance Market Report special topic edition.

The pandemic highlighted the real benefit of the [Holistic Framework](#) that was agreed just months before the outbreak of the first cases of Covid-19. This panel will discuss implementation of the Holistic Framework's key elements of risk monitoring and supervisory response, including views on the effectiveness of supervisory measures in making the insurance sector more resilient.

The Global Seminar will close with a progress update on the finalisation of the Insurance Capital Standard and draft criteria by which to assess whether an Aggregation Method provides comparable outcomes.

For those unable to attend in person, recordings from all of the events, including our Town Hall question and answer session, will be published on our website in the weeks following the event. Also look out for updates on our [LinkedIn](#) channel.

I look forward to seeing many of you in Dubrovnik!

Jonathan Dixon, Secretary General

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Calendar Notes

The IAIS' Holistic Framework is designed to assess and mitigate systemic risk in the global insurance sector. Nearly three years since the Framework was launched and in advance of a review by the Financial Stability Board on the future of the identification of Global Systemically Important Insurers, the IAIS will hold a **virtual public roundtable on the implementation of the Holistic Framework** from 13.00-15.30 CEST on Tuesday 19 July.

Register for the roundtable [here](#).

In Focus

IAIS publishes Year in Review 2021

The IAIS [Year in Review 2021](#) presents an overview of progress and key achievements of 2021 amid the continued challenges of the Covid-19 pandemic.

The report outlines the work of IAIS committees, working groups, task forces and forums in the areas of:

- Assessing and responding to global market trends;
- Standard setting;
- Sharing supervisory practices and issues; and
- Assessing and promoting observance of our supervisory material.

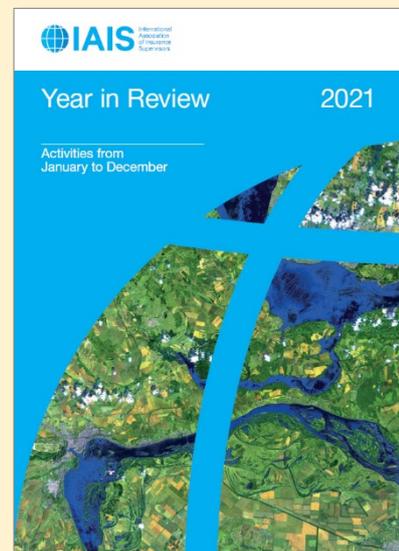
Also highlighted is how the IAIS Secretariat and leadership have elevated the already substantial engagement with a broad set of members and stakeholders, including our continued partnership with the Access to Insurance Initiative and Financial Stability Institute (our key implementation partners) and how we have expanded and improved our multiple communications channels.

“2021 serves as an example of how we have come together – Secretariat staff, IAIS members and our many stakeholders – to deliver excellent work with efficiency, solidarity and creativity, making significant progress on our Strategic Plan 2020-2024 and delivering on our dual mission of policyholder protection and contributing to the maintenance of global financial stability.”

Jonathan Dixon
IAIS Secretary General

A new format

The IAIS Year in Review is a new format replacing the former Annual Report. The editorial content and reporting for 2021 has been decoupled from the financials, providing a more timely overview of the activities of the Association. The 2021 Financials will be released separately, following approval at the AGM in November 2022.



Key strategic themes

We are operating in an environment in which the key risks and trends impacting the insurance sector are increasingly global in nature and the forum that the IAIS provides for global cooperation and coordination is more important than ever. The Year in Review provides a consolidated overview of the work delivered and ambitious agenda related to our key strategic themes of technological innovation; cyber risk; conduct and culture; climate risk; diversity, equity and inclusion; and financial inclusion and sustainable economic development.

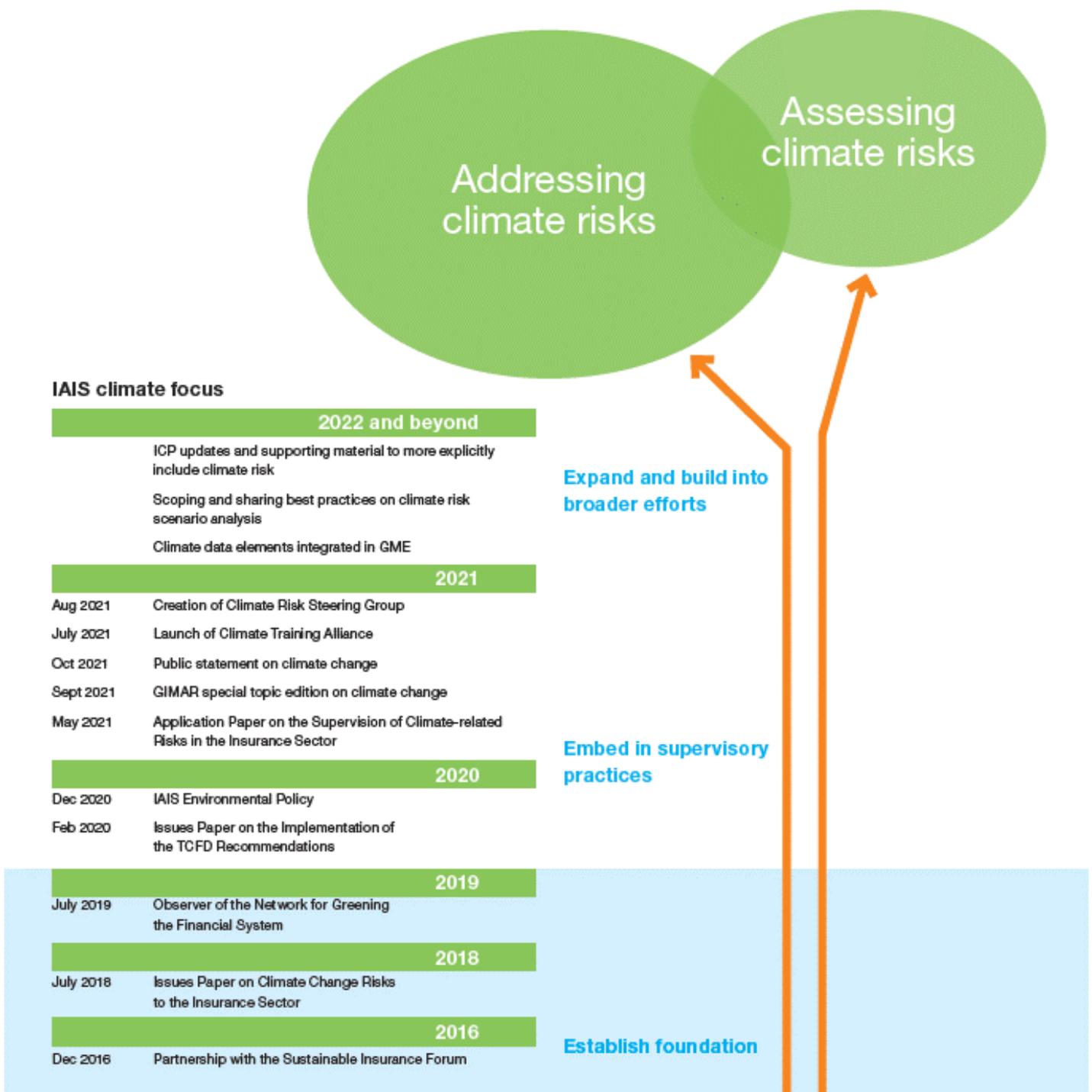


Year in Review 2021

Climate in focus

Given the risks posed by climate change, the IAIS committed in 2021 to significantly increase its focus on this issue. Insurance supervisors globally have stated the need for insurers to integrate climate risks into governance and enterprise risk management frameworks and have highlighted the importance of

public disclosure of material climate-related risks. The IAIS continued to demonstrate its leadership on this topic through a multitude of activities highlighted throughout the report and a new graphic illustrates the full extent of our work in this area. In the Annex, the IAIS also reports on progress towards achieving goals set forth in the IAIS Environmental Policy.



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Comments and suggestions are always welcome. ©International Association of Insurance Supervisors 2022

Year in Review 2021

IAIS in numbers

The traditional IAIS 2021 in Numbers one page overview of key achievements in 2021 has been

Published

6 Application Papers

- Application Paper on Combating Money Laundering and Terrorist Financing
- Application Paper on Macroprudential Supervision
- Application Paper on the Supervision of Climate-related Risks in the Insurance Sector
- Application Paper on Supervision of Control Functions
- Application Paper on Supervisory Colleges
- Application Paper on Resolution Powers and Planning

1 Issues Paper

- Issues Paper on Insurer Culture

5 Reports

- GIMAR
- GIMAR special topic edition on climate change
- Aggregate Report on PRP for ICP 19 – Conduct of Business
- Aggregate Report on the Results of the Holistic Framework Baseline Assessment
- IAIS-FSI note on redefining insurance supervision in the new normal

4 Risk dashboards of financial markets

Engaged

28th AGM/AC

- +700 attendees

Global Seminar

- +500 attendees

2nd CRO Roundtable

14 Stakeholder consultations and workshops

Participated in +119 external speaking engagements

30 Supervisors involved in the GME feedback loop

2 GME workshops

- 2x +100 participants from insurance groups and supervisors

Communicated

7 Press releases

3 Statements

9 Newsletters

2020 Annual Report

+1,600 Newsletter subscribers

143 LinkedIn posts

3324 LinkedIn followers (increased by +60%)

updated and it was hard to keep it to just one page! Illustrating the continued growth of the Association, this section outlined the quantifiable accomplishments under the headings: published, supported, engaged, launched and communicated.

Supported

2 IAIS-A2ii Supervisory Dialogues on

- Accounting Standards & IFRS 17: The Role of Insurance Supervisors
- Climate-related Risks in the Insurance Sector

5 IAIS-A2ii Public Dialogues on

- Index-based Insurance
- Insurance and the Sustainable Development Goals
- Women's Access to Insurance
- Closing the Health Financial Protection Gap: Expanding Access to Health Insurance in Times of Crisis and Beyond
- Pandemic Risk: Opportunities to Improve Insurability

New connect.A2ii training module on supervision of climate-related risks in the insurance sector

2 IAIS-FSI virtual high-level meetings

2 IAIS-FSI virtual seminars on

- Climate change in the insurance sector
- Cyber resilience

Co-launched Climate Training Alliance

Launched

6 Public consultations

2 Member surveys

2 MAPs

- Mexico (in final stages)
- Albania (started)

Climate Risk Steering Group

2 Forums

- Retirement Income and Pensions Forum
- Financial Inclusion Forum

TJA of the Holistic Framework's supervisory material

PRP on ICPs 9 and 10

Completed first full GME, involving

- ~ 60 of the largest insurance groups globally; and
- ~ 30 insurance supervisors, covering 90% of global GWP

Second year of monitoring of the global ICS

Year in Review 2021

Looking ahead

A new graphical overview presents key projects in the 2022-2023 Roadmap and shows how they align with our high-level goals. This is a good indication of the upcoming projects and activities for the Association, and also sets out progress made in the IAIS' strategic pivot from policy development to a stronger focus on

financial stability issues and implementation support and assessment, while addressing the risks and maximising the opportunities of a rapidly changing insurance sector.

To read more, download the IAIS Year in Review 2021 [here](#).

For more information contact Melanie Clowes-Haug at melanie.clowes-haug@bis.org and Zoe Smoke zoe.smoke@bis.org.

HLG 1 Assessing and responding to market developments	<p>Ongoing monitoring of risks through the Global Monitoring Exercise (GME), including:</p> <ul style="list-style-type: none"> • Finalisation of liquidity metrics as an ancillary indicator; and • Integration of climate-related risk into the GME. 	<p>2022 GIMAR special topic edition on the potential financial stability impact of cyber risk.</p>	<p>Comprehensive report for the FSB on the first three years of implementation of the Holistic Framework.</p>	
HLG 2 Standard setting	<p>Ongoing monitoring of the Insurance Capital Standard (ICS), including consideration of whether there should be a differentiated treatment of investments in infrastructure and strategic equity in the ICS standard method.</p>	<p>Consultation on and finalisation of criteria to assess whether the Aggregation Method provides comparable outcomes to the ICS.</p>	<p>Review of ICP 14 (Valuation) and ICP 17 (Capital Adequacy) for adoption by the end of the ICS monitoring period.</p>	
HLG 3 Supervisory practices	<p>On digital transformation, the FinTech Forum will continue deep-dive analysis on artificial intelligence and machine learning; application programming interfaces and open data; and distributed ledger technologies and blockchain.</p> <p>The IAIS will also progress a note on the use of innovative technologies in supervision (SupTech).</p>	<p>Issues Paper on operational resilience, focused on IT outsourcing and cyber resilience.</p> <p>Initiatives to address climate risk, including on good practices for climate risk scenario analysis and gap analysis of IAIS supervisory material (in addition to integration of climate-related data into GME).</p>	<p>Culture and conduct - Public note on use of key indicators to monitor conduct risks. Exploratory work on remuneration issues in the insurance sector.</p> <p>Stocktake of diversity, equity & inclusion initiatives currently underway and assessment of possible future work related to insurers' governance.</p>	<p>Other areas:</p> <ul style="list-style-type: none"> • Resolution • Audit and Accounting • Establishment of a Financial Crime Forum • Retirement and Income Pensions Forum • Financial inclusion
HLG 4 Observance of standards	<p>Targeted Jurisdictional Assessment of Holistic Framework supervisory material in ten jurisdictions.</p> <p>Completion of Member Assessment Programme (MAP) for Mexico, and commencement of MAP for Albania.</p>	<p>Completion of Peer Review Process (PRP) on ICP 9 (Supervisory Review and Reporting) and ICP 10 (Preventive Measures, Corrective Measures and Sanctions). Commencement of PRP on ICP 16 (Enterprise Risk Management for Solvency Purposes).</p>	<p>Preparation for implementation assessment of ComFrame in 2022, ahead of the practical assessment activities in 2023.</p>	<p>Other areas:</p> <ul style="list-style-type: none"> • Training and peer exchange • Implementation of risk-based solvency for emerging markets • Multilateral Memorandum of Understanding • Reshaping the IAIS Supervisory Forum
<ul style="list-style-type: none"> • Brand and website refresh • Stakeholder engagement • Communications 		<p>HLG 5 Effective operations and transparency</p>		<ul style="list-style-type: none"> • Environmental policy • Internal DE&I activities • Risk management

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Comments and suggestions are always welcome. ©International Association of Insurance Supervisors 2022

News

MEMBERSHIP

New IAIS MMoU Signatories – the Centrale Bank van Aruba and the Massachusetts Division of Insurance

The Centrale Bank van Aruba (CBA) and the Massachusetts Division of Insurance (MA) have become members of the IAIS Multilateral Memorandum of Understanding (MMoU) – our international supervisory cooperation and information exchange agreement.

“We are pleased to welcome Aruba and Massachusetts as signatories to the MMoU”, said Dr Vicky Saporta, Chair of the IAIS Executive Committee. “As we have experienced over the past two years of social and economic challenges, there are enormous benefits to the global insurance sector when supervisors are able to cooperate quickly and effectively across jurisdictions. The MMoU is an essential regulatory tool for supervisors to foster safer and more stable insurance markets”.

The IAIS MMoU provides a global framework of compliance and confidentiality to allow for open cooperation and exchange between insurance supervisors.

To become a signatory to the MMoU, the CBA and MA have undergone rigorous assessments of their professional secrecy regimes, conducted by validation teams made up of IAIS members. This will further enhance the financial stability and sound supervision of cross-border insurance operations for the benefit and protection of consumers.

Since the first jurisdiction was admitted in June 2009, the number of signatories has grown significantly, and currently represents three-quarters of global gross written premiums. A complete list of international signatories and a copy of the IAIS MMoU can be found on the IAIS website by clicking [here](#).

For more information contact Miho Chen at miho.chen@bis.org.



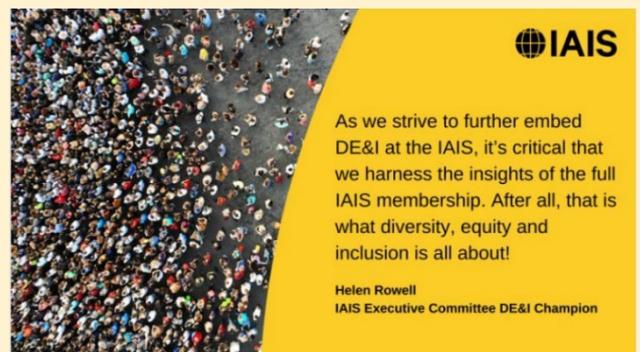
The NAIC organised a signing ceremony for the MA at the NAIC International Insurance Forum on 13 May in Washington DC. Vicky Saporta, Director of Financial Policy of Prudential Regulation Authority and Chair of the IAIS Executive Committee, and Gary Anderson, Commissioner of the Massachusetts Division of Insurance and Chair of the IAIS Policy Development Committee, participated in the signing ceremony.

World Day for Cultural Diversity for Dialogue and Development | 21 May

The IAIS recently surveyed our members for insights to help enhance DE&I at the IAIS. Questions included:

- What are our members' own DE&I strategies and focuses?
- What should be the priority for the IAIS when focusing on our own DE&I?
- What should the IAIS do to enhance DE&I in our governance and processes?

Visit our [website](#) to learn more about our DE&I activities.



CULTURE

The IAIS celebrates Pride Month

The IAIS is committed to diversity, equity and inclusion, including diversity of gender, sexual orientation, gender identity and expression. While we are in the early stages, we aim to promote and facilitate the efforts of our members in advancing DE&I in their organisations and in the global insurance sector. During the month of June, the IAIS will use a logo reflecting the pride rainbow.



Event Spotlight

NAIC International Insurance Forum | Washington DC, United States| 12-13 May

On 12-13 May, IAIS Executive Committee Chair Vicky Saporta and Deputy Secretary General Romain Paserot joined US and international colleagues, including many IAIS members, in person at the flagship international event of the US National Association of Insurance Commissioners (NAIC). The two-day event explored key developments in the insurance sector and the evolution of insurance regulation around the globe. The agenda covered a wide range of emerging risks and trends with themes that echo the IAIS Roadmap priorities.

Vicky Saporta delivered a keynote on day two of the event, reflecting on the continuously changing risk landscape and the importance of a robust global



supervisory framework to respond to these risks, given their global nature.

The importance of supervisory cooperation and collaboration was also a key theme, with Vicky noting that working together after the financial crisis created bonds in the international community that continue to get stronger and have aided the response to the pandemic and other challenges.

Dieter Hendrickx, Chair of the Macprudential Committee, participated in a panel discussion on private-equity ownership of insurance firms. He shared the perspective of the IAIS resulting from the work done as part of the [Global Monitoring Exercise](#), where this theme has been picked up.

Romain Paserot, IAIS Deputy Secretary General, joined a distinguished panel moderated by David Altmaier, Florida Insurance Commissioner (USA) and IAIS Executive Committee Vice Chair, for a supervisor-industry dialogue looking at how the IAIS is delivering on its commitment to standards implementation and assessment and the importance of the IAIS' work on financial inclusion more broadly.

Siham Ramli, from ACAPS (Supervisory Authority of Insurance and Social Welfare Morocco), provided the perspective of an emerging market and developing economy (EMDE) member on the implementation of IAIS standards, including the importance of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) for a host supervisor. Panellists also explored IAIS

efforts and experiences in pivoting to address emerging issues, such as climate risk, cyber, and innovation.

For more information contact Melanie Clowes-Haug at melanie.clowes-haug@bis.org.



ACLI/IIF Breakfast | Washington DC, United States | 13 May

IAIS Deputy Secretary General Romain Paserot joined the American Council of Life Insurers (ACLI) and the Institute of International Finance (IIF) for a lively breakfast dialogue to discuss IAIS, ACLI and IIF members' priorities regarding the direction of global insurance policy in today's dynamic environment.

Romain delivered remarks reflecting on the current challenges facing the insurance sector and how this raises the need for insurance supervisors to monitor and respond to the heightened macroprudential risks effectively. This was followed by a Q&A session for attendees together with NAIC President, Dean L. Cameron.

For more information contact Melanie Clowes-Haug at melanie.clowes-haug@bis.org.

FSI-IAIS webinar on insurance supervision: how to bring a virtual and an in-person environment together? | Virtual | 18 May

On 18 May, supervisors from all over the Americas, Africa, Asia-Pacific, Europe and Middle East gathered virtually to reflect on the future of the supervisory landscape post Covid-19. In a period marked by increasing innovation and quicker uptake of

digitalisation, the session hosted by the FIS and IAIS addressed the topic of "How to bring a virtual and in-person environment together?" Topics included challenges posed by remote supervision, supervisory planning and striking the right balance between in-person and working from home arrangements.

A presentation by Manuela Zweimueller, IAIS Head of Implementation, and Denise Garcia Ocampo, Senior Advisor at the FSI, on the paper jointly developed by the IAIS and FSI, "[Redefining Insurance Supervision for the New Normal](#)", set the scene. The presentation provided an overview of the content, focusing on the challenges and opportunities faced by insurance supervisors as they adapted to the world of the "new normal" drawing on experiences of IAIS members at the outbreak of the pandemic.

The session was structured as a panel and was moderated by Tony Chan, Associate Director (Policy and Development Division), Insurance Authority (IA) of China, Hong Kong and IAIS Implementation Assessment Committee Vice-Chair. Tony was joined on the panel by supervisors from Belize, South Africa and Switzerland.

Alma Gomez, Supervisor of Insurance – International Insurance & Pensions, Office of the Supervisor of Insurance & Private Pensions (Belize), shared Belize's experience with remote supervision during the pandemic, and reflected on the challenges in terms of resourcing and infrastructure as well as reliability of virtual on-site assessments, data security and the implementation of electronic signature.

Sharon Sikhosana, Divisional Head, South African Reserve Bank Prudential Authority, touched on the challenges that virtual meetings pose for supervisory judgement and provided insight on the monitoring of cyber risk and measures put in place to safeguard the operational resilience of insurers.

Andreas Widmer, International Relations – Insurance Division, Swiss Financial Market Supervisory Authority, provided an overview of the Swiss experience, which leveraged on the digitalisation of internal processes prior to the pandemic. He indicated that while there are challenges to virtual on-site assessments, if there is an adequate set-up and clear guidance and rules, there are also gains such as enabling more people to join the meetings without a significant impact on budgets and flexibility to arrange inspections. Andreas also shared FINMA's experience in balancing in-person and

working from home arrangements while maintaining team cohesion.

This webinar adds to the many joint IAIS and FSI initiatives to facilitate peer exchanges and the understanding of supervisory issues, in line with the

IAIS' High-Level Goal (HLG) 3 on Supervisory practices.

For more information contact Carlos Lopez Moreira at carlos.lopezmoreira@bis.org.

Forum Updates

Forums provide 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.

RECENT

Retirement Income and Pensions Forum | Virtual | 24 May

The RIPF welcomed a number of speakers to discuss two topics of relevance for insurance supervisors that regulate insurers that sell retirement income and pensions products.

The first discussion considered how a number of different economic factors influence the pension product landscape, including the changing monetary policy environment, inflationary pressures and credit risks. At the same time, in some markets, pension providers face pressures caused by withdrawals triggered by policies agreed in the pandemic. All of these factors will impact future pensions income and it is important for supervisors to understand the extent to which these issues will affect consumers.

The discussion on financial literacy for pensions considered the extent to which consumers understand their pension and retirement needs and expected income and what steps supervisors can take to help ensure consumers are financially literate.

For more information contact Joe Perry at joe.perry@bis.org.

FinTech Forum | Virtual | 11 May

The FinTech Forum Member workshop was held on 11 May 2022. Covering three topics, the co-chairs of the various FinTech Forum subgroups provided presentations and took questions.

The first topic was Application Programming Interfaces and Open Data. Co-Chairs Andres Lehtmetts (EIOPA) and Joyce Zeng (UK FCA) explained the definition of open insurance, the development status of open insurance, the main business models and various use cases.

The second topic was Distributed Ledger Technologies (DLTs) and blockchain. Co-Chairs Denise Garcia (BIS FSI) and Todd Coslow (US FRB) first defined DLTs and blockchain, then presented applications across the insurance value chain and B3i concepts and issues for supervisory consideration.

The third topic was artificial intelligence, machine learning and the use and governance of data. Co-Chairs Nick Silk (UK PRA) and Laurent Dupont (France, ACPR) explained the subgroup's workplan and presented in-depth content on data, model risk management and governance, and conduct risk (bias and discrimination).

For more information contact Hanne van Voorden at hanne.vanvoorden@bis.org and Inwook Hwang at inwook.hwang@bis.org.

UPCOMING

Financial Crime Forum | Virtual | 2 June

Pursuant to the 2022-2023 Roadmap, the Financial Crime Task Force (FCTF) was transitioned into the Financial Crime Forum (FCF) earlier this year. The FCF provides an ongoing and flexible platform for subject matter experts from insurance supervisory authorities to share insights and discuss developments

in the areas of countering money laundering, terrorist financing, proliferation financing and fraud in insurance, with the goal of enabling greater understanding and insight into the impact on insurance supervision. Christopher Brown (Bermuda Monetary Authority), the former FCTF Chair, has been appointed as a Chair of the FCF.

The FCF will have its first meeting on 2 June.

For more information contact Yasuaki Ohara at yasuaki.ohara@bis.org.

Capacity Building

RECENT

A2ii-IAIS Dialogue – Reflection on the Implementation of IFRS 17 | Virtual | 19 May

On 19 May, the IAIS-A2ii supervisory dialogue took place virtually, with translation in French and in Spanish, to discuss the implementation of the International Financial Reporting Standard (IFRS) 17. The session built on the previous dialogue that addressed the implication of IFRS 17 for insurance supervisors and focused on the preparations for implementation as well as on case studies presented by supervisors who have successfully implemented the standard.

The session kicked off with an introduction by Manuela Zweimueller, IAIS Head of Implementation and Assessment, who highlighted the IAIS initiatives to support implementation of IFRS 17, including the work conducted by the IAIS' Accounting and Auditing Working Group, sharing of supervisory practices and member surveys. Manuela also touched on the elements of optionality, jurisdiction-specific modifications to the regulatory process and opportunities for further study.

This was followed by a presentation by Peter Windsor, Senior Financial Sector Expert at the International Monetary Fund, who discussed key supervisory issues

and good practices around the implementation of IFRS 17 ahead of the effective implementation date for insurers on 1 January 2023. Furthermore, he recommended supervisors undertake an impact assessment of the implementation of this standard in their jurisdictions and emphasised the necessity of a dedicated team to lead the implementation as well as the importance of engaging with the industry and other supervisors.

Finally, supervisors presented case studies based on their experience implementing this standard. In the morning session, Jun Oh and Leron Kwong from the Australian Prudential Regulation Authority (APRA), discussed APRA's approach to implementing IFRS 17 and shared a case study on reporting for life contracts that share profits. In the afternoon session, David Correia from the Office of the Superintendent of Financial Institutions (Canada), shared OSFI's perspective, with a focus on the changes to OSFI's supervisory framework, capacity building strategy for the transition as well as challenges in the transition. Lastly, Zine Mshengu shared the South African Reserve Bank Prudential Authority's positive experience in engaging with industry and stakeholders and the role of the supervisor in the implementation of this standard.

For more information contact Carlos Lopez Moreira at carlos.lopezmoreira@bis.org.

Meet our Staff

Each month get to know one (or more) IAIS staffers and the projects they are working on.

Welcome to the IAIS Secretariat



Name: Elise Tache

Current role: Visiting Associate, Implementation Team

Time with the IAIS: Since April 2022

Last employer: Autorité de Contrôle Prudentiel et Résolution (ACPR)

Favourite pastimes: Painting, writing

Elise joined the IAIS in April on a secondment from the ACPR. She supports the Implementation Team, in particular the Targeted Jurisdictional Assessments of the Holistic Framework supervisory material.

Elise has been working at the ACPR for six years, where she has held various positions. Most recently, her role was as international relations expert, working on insurance policy issues, with involvement in several projects at European and international level (eg systemic risk, resolution, cross-border activities). Before that, Elise worked at several firms in the private sector.

Elise holds a master's degree in public administration from Sciences Po Paris and a second master's degree in law from La Sorbonne.

Staff profile



Name: Elisa Frost

Current role: Project and Change Manager

Time with the IAIS: since September 2019

Last employer: BIS, Transformation Office

Favourite pastimes: Travelling with the family, horse training, yoga, running, hiking, skiing and music

Elisa joined the Operations team of the IAIS in September 2019 as a Project and Change Manager for IT-related projects. Since joining, Elisa has worked on the new IAIS IT policy and the IT vendor change, including the migration of the IAIS IT infrastructure and handover of the support processes. Most notably, Elisa led the development of the new IAIS website. Going forward, she is working on revising the IAIS' IT infrastructure, digital tools and processes.

Prior to joining the IAIS, Elisa worked as a transformation consultant for the BIS, and as an IT Project Manager for a multinational commodities company.

Elisa is German and Finnish. She holds a BA in international relations from the University of Sussex (UK), an MA in European Studies from the University of Bath (UK); and an MBA from the University of St. Gallen (Switzerland).

Subcommittee Activities

CAPITAL, SOLVENCY AND FIELD TESTING WORKING GROUP

Year three of the Insurance Capital Standard (ICS) monitoring period began at the end of April with the release of the 2022 ICS data collection package to Volunteer Groups. The 2022 Aggregation Method (AM) data collection package was also released at the end of April. Submissions for both data collections are due on 31 August.

On 16 May, the Capital, Solvency and Field Testing Working Group (CSFWG) hosted an ICS Volunteer Group Workshop to discuss results of the second year of the ICS monitoring period and launch confidential reporting for the third year of the monitoring period. On 17 May a Volunteer Group Roundtable was held to discuss internal models.

The AM Volunteer Group Workshop was also held on 17 May. Participants discussed results of the 2021 AM data collection and updates for the 2022 AM data collection.

The three events were held in hybrid format, resulting in interactive and successful discussions.

The CSFWG then met on 18 and 19 May to discuss:

- Work of the Climate Risk Steering Group;
- Internal Models;
- Ongoing reviews of ICPs 14 (Valuation) and 17 (Capital Adequacy); and
- Ongoing work on the treatment of Infrastructure and Strategic Equity assets in the ICS.

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

GOVERNANCE WORKING GROUP

The Governance Working Group (GWG) met in Basel on 4 and 5 May. The main agenda items were:

- Approval of the report on the GWG's exploratory work on remuneration issues to be presented to the Policy Development Committee and Executive Committee in June;
- The diversity, equity and inclusion (DE&I) stocktake project;
- The ongoing work of the Operational Resilience Task Force, particularly the governance issues to be addressed in its Issues Paper;

- The work to be progressed in partnership with the Climate Risk Steering Group to develop supporting material on ICPs 7 (Corporate Governance) and 8 (Risk Management and Internal Controls) specific to climate risk; and
- Member updates.

Secretariat support: lauren.eckermann@bis.org

MACROPRUDENTIAL MONITORING WORKING GROUP

The Macroprudential Monitoring Working Group (MMWG) met virtually on 17 and 31 May to discuss the following:

- Scope of the collective discussion of the outcomes of the 2022 Global Monitoring Exercise (GME);
- Three-year review of the methodology for the Individual Insurer Monitoring (IIM) component of the GME;
- Development of the liquidity metrics, as ancillary indicators in the GME; and
- Global Insurance Market Report (GIMAR) 2022 special topic on cyber risk.

The MMWG will meet next on 29 June 2022.

Secretariat support: nicolas.colpaert@bis.org

MACROPRUDENTIAL SUPERVISION WORKING GROUP

The Macroprudential Supervision Working Group (MSWG) met virtually on 11 and 23 May 2022. The main agenda items were:

- Act of war exclusions in insurance contracts, their application in different jurisdictions and how these exclusions could impact insurance coverage for events arising from the war in Ukraine;
- Seminar by Professor Josephine Wolff (Associate Professor of Cybersecurity Policy at Tufts University) on "Cyber insurance Policy: History, Challenges & War Exclusions";
- Member updates on supervisory responses to the impact of the Russian invasion of Ukraine; and
- Proposals to the Macroprudential Committee on MSWG future projects and activities.

Secretariat support: fabian.garavito@bis.org

MARKET CONDUCT WORKING GROUP

The Market Conduct Working Group (MCWG) met in Basel on 18 and 19 May. The main agenda items were:

- Approval of the public report on supervisors' use of key indicators to assess insurer conduct, which will be presented to the Policy Development Committee in June;
- The ongoing development of the members-only Implementation Guide on conduct indicators;
- The implications of climate risk and extreme weather events on market conduct issues;
- The diversity, equity and inclusion (DE&I) stocktake project; and
- Member updates on conduct of business-related developments.

Secretariat support: lauren.eckermann@bis.org

OPERATIONAL RESILIENCE TASK FORCE

The Operational Resilience Task Force (ORTF) met virtually on 31 May to progress the drafting of the Task Force's Issues Paper setting out aspects of operational resilience most relevant to the insurance sector, in consideration of current and emerging risks. This included discussing supervisory practices around:

- The oversight and testing of insurer's cyber resilience;
- Assessing and managing the concentration risk associated with the outsourcing of critical IT services to third parties; and
- Lessons learnt during the Covid-19 pandemic with respect to business continuity planning and management.

The ORTF also continued to share information on recent developments across member jurisdictions relevant to the ORTF's mandate.

Secretariat support: ruby.garg@bis.org

STANDARDS ASSESSMENT WORKING GROUP

The Standards Assessment Working Group (SAWG) met in Washington DC on 24-25 May to discuss the following agenda items:

- Progress regarding Peer Review Process (PRP) on ICP 9 (Supervisory Review and Reporting) and 10 (Preventive Measures, Corrective Measures and Sanctions);
- Progress with respect to Member Assessment Programme (MAP) activities;
- Revisions to the Assessment Handbook;
- Targeted Jurisdictional Assessments of the Holistic Framework supervisory material; and
- Preparations for training for assessors of the IAIS' supervisory material.

Secretariat support: grzegorz.komarnicki@bis.org and miho.chen@bis.org

RESOLUTION WORKING GROUP

The Resolution Working Group (ReWG) met virtually on 31 May and 1 June. Discussion topics included: :

- The development of an Issues Paper on the role of Policyholder Protection Schemes (PPS) in resolution;
- Input into the Roadmap 2023-2024 process; and
- Update on the Financial Stability Board (FSB) work regarding the review of scope of application of resolution requirements for Global Systemically Important Financial Institutions (G-SIFIs) under the Key Attributes of Effective Resolution Regimes for Financial Institutions considering a potential discontinuation of the annual identification of Global Systemically Important Insurers (G-SIIs) as of November 2022.

Secretariat support: yasuaki.ohara@bis.org

Calendar of meetings and events

The following groups are scheduled to meet between June and July 2022.

Meetings will be held in virtual format, unless otherwise noted. For the full IAIS calendar, visit our [website](#).

Date	Group	Location
June 2022		
31 May- 1 June	Resolution Working Group	Virtual
9	Accounting and Auditing Working Group	Virtual
9	Executive Committee	Virtual
13	Audit and Risk Committee	Dubrovnik, Croatia
13	Budget Committee	Dubrovnik, Croatia
13	Macroprudential Committee	Dubrovnik, Croatia
14	Implementation and Assessment Committee	Dubrovnik, Croatia
14	Insurance Capital Standard and Comparability Task Force	Dubrovnik, Croatia
14	Policy Development Committee	Dubrovnik, Croatia
15	Executive Committee	Dubrovnik, Croatia
16-17	Global Seminar	Dubrovnik, Croatia
29	Macroprudential Monitoring Working Group	Virtual
30	Financial Inclusion Forum	Virtual
July 2022		
12	Macroprudential Committee	Virtual
13	Executive Committee	Virtual
14	Retirement Income and Pensions Forum	Virtual
19	Public roundtable on the implementation of the Holistic Framework	Virtual

Financial Stability Institute (FSI) Report



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.

Recent Events

IAIS-FSI WEBINAR ON INSURANCE SUPERVISION: HOW TO BRING A VIRTUAL AND AN IN-PERSON ENVIRONMENT TOGETHER? | VIRTUAL | 18 MAY

The FSI-IAIS Global webinar on insurance supervision took place on 18 May. For more information on this event, please see [page 9](#).

FSI Insights

The FSI recently published [FSI Insights on policy implementation No 42 Diversity and inclusion – embracing the true colours in financial supervision](#).

Sound diversity and inclusion (D&I) practices by financial institutions can support the core prudential objective of promoting the safety and soundness of the financial sector. While there has been noticeable progress in improving firms' D&I, especially in the area of gender, the pace needs to accelerate and the scope to be broadened to other dimensions.

In this paper, authors Nompumelelo Simelane (Central Bank of Eswatini) and Jeffery Yong (Bank for International Settlements) examine emerging regulatory approaches to D&I practices of financial

institutions covering corporate governance, conduct of business and disclosure. They observed different focus or aspects of emphasis in the different D&I regulatory approaches.

International standards and guidance on D&I might be helpful to prompt progress in improving the quality of corporate governance of regulated financial institutions, thus enhancing the safety and soundness of firms and the financial sector. Nevertheless, it should also be acknowledged that D&I is not a silver bullet to address corporate governance deficiencies in firms.

The FSI presented the paper at recent meetings of the IAIS Governance Working Group and Market Conduct Working Group.

Access to Insurance Initiative (A2ii) Report



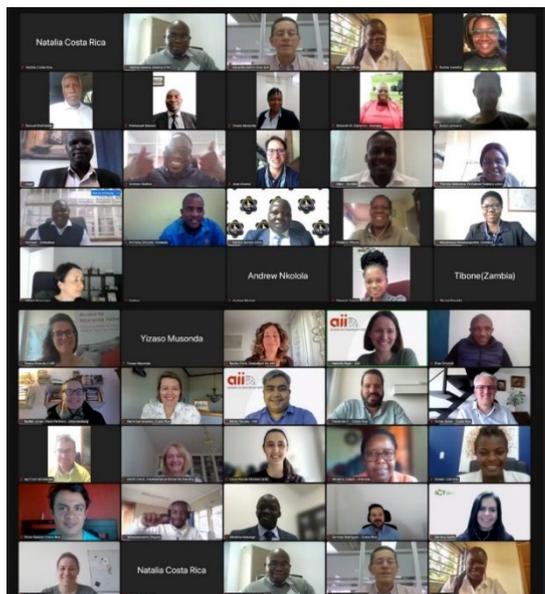
The Access to Insurance Initiative (A2ii) is a unique global partnership which inspires and supports insurance supervisors in promoting access to insurance for underserved and low-income populations. It is the IAIS implementation partner on financial inclusion.

Useful tools on the A2ii website

- The [Covid-19 Insurance Supervisory Response Tracker](#)
- The [Supervisory KPIs Lexicon](#)
- The [Inclusive Insurance Regulations map](#)
- The [ICP Self-assessment Tool](#)
- The [Connect.A2ii e-learning platform](#)

iii-lab update

III-LAB TEAMS PITCH THEIR INITIAL PROTOTYPES TO EXPERT PANEL | 3-4 MAY



Since mid-March, inclusive insurance innovation lab (iii-lab) country teams from Costa Rica, Grenada, Zambia and Zimbabwe have been working on their initial prototypes aimed at increasing resilience against climate risks in their jurisdictions.

On 3 and 4 May, the teams pitched their prototypes to a panel of experts: **Rachel Field** (R.K. FIELD, LLC), **Hannah Grant** (Access to Insurance Initiative), **Agrotosh Mookerjee** (Risk Shield), **Elias Omondi** (FSD Africa) and **Shilpi Shastri** (Winclusivity). Building on constructive feedback and suggestions by the panel members, the teams are now moving forward with the development of their prototypes.

- Costa Rica is working on a climate tool called *Fu-Turismo* that aims at building awareness of climate change in the tourism sector while at the same time promoting risk reduction and coverage solutions.
- Grenada's prototype, *The Grenada Pan Cooperative Resilience Fund*, takes advantage of a strong and well-organised cooperative sector in the country. It is planned to develop a mutual risk pool that provides direct relief to farmers and fisherfolk after a declared climate-related disaster.
- Zambia's prototype focuses on raising awareness of insurance, especially among the most vulnerable in the agricultural sector (youth and

women). Their solution looks at engaging with community champions to disseminate relevant information.

- Zimbabwe proposes a bundled product that combines index insurance with other non-financial products and services like agronomic and weather advice. To address low financial education rates, this will be accompanied by a multi-stakeholder awareness campaign.

In terms of next steps, ahead of the implementation phase in June, teams will complete the innovation phase with the development of a prototyping roadmap.

Recent Events

REFLECTION ON THE IMPLEMENTATION OF IFRS 17 - SUPERVISORY DIALOGUE | 19 MAY

On 19 May, the A2ii and the IAIS hosted a Supervisory Dialogue on Reflection on the Implementation of IFRS 17. The session follows on from the dialogue that took place in January 2021 on the same topic (recordings available on [Connect.A2ii](#) as a learning resource).

During these sessions, the challenges and progress that have been made ahead of the implementation deadline of January 2023 were discussed by different experts. **Peter Windsor**, Senior Financial Expert at the International Monetary Fund provided some background on the global developments and most important supervisory issues of IFRS 17, focusing on the implementation challenges EMDE countries face. He strongly encouraged supervisors to engage with the industry about their readiness to implement IFRS17 to determine whether supervisory action needs to be taken.

Following Peter Windsor's presentation, there were case studies presented by two regulatory authorities for each session.

During the morning session, **Jun Oh** and **Leron Kwong** from the Australian Prudential Regulation Authority (APRA) presented their approach and experience implementing this standard in their jurisdiction. They also shared a case study on life contracts that share profits between policyholders and shareholders. This has been challenging for insurers in Australia because of their complexity and the lack of consensus on how IFRS 17 should be

applied and still meet the requirements of the Life Insurance Act 1995 under IFRS 17.

During the afternoon session, **David Correia** from the Office of Superintendent of Financial Institutions of Canada (OSFI) shared OSFI's experience with the topic. Correia presented how the implementation project was organised, the changes made to supervisory framework because of IFRS 17, how the transition was prepared, as well some common concerns regarding training of supervisors, capital volatility and data reporting.

For both sessions, Zine Mshengu from the Prudential Authority within the South African Reserve Bank (SARB) presented SARB's multi-stakeholder approach, for which the interaction with insurers, industry and the tax authority has proven best for implementation of such a process. She also shared the results of a survey conducted with insurers on the implementation actions and challenges they had faced.

During both sessions, the presentations were followed by an active Q&A session moderated by Peter Windsor. The recordings will soon be available on our learning platform for supervisors [Connect.A2ii](#).

To read more, see [page 11](#).

THE IMPLICATION OF THE NEW INSURANCE ACT ON MICROINSURANCE UPTAKE IN GHANA | 19 MAY

This Ghana country-workshop was organised by the Microinsurance Network as part of a series of workshops on the countries in the [Landscape of Microinsurance](#). Following a short presentation on the results of the 2021 survey, **Hannah Grant**, Head of the Access to Insurance Initiative Secretariat moderated a panel discussion on the implications of the new Insurance Act on microinsurance uptake in Ghana. The panel was made up of a broad cross-section of stakeholders from the Ghanaian market with the Deputy Commissioner of the National Insurance Commission, as well as senior representatives from Allianz, BIMA and the Ghanaian Insurance Association.

Overall, feedback on the 2021 Insurance Act was positive. Features such as the 'innovative insurance licence' and 'innovative insurance intermediary licence' were welcomed as providing considerable scope for the introduction of new business models.

Agricultural insurance was also recognised as an area benefiting from the new Act with index insurance included within the regulatory perimeter as well as the establishment of an agricultural fund. Detailed provisions are still to follow in the form of regulations and directives but the positive reactions so far give hope that it should enable access to insurance to significantly more vulnerable Ghanaians.

A2II-RFPI/MEFIN-MIN ASIA REGIONAL DIALOGUE ON "THE ROLE OF INSURANCE AND DATA IN CLOSING THE CLIMATE RISK PROTECTION GAP" | 17 MAY

The virtual Regional Dialogue hosted by the Access to Insurance Initiative (A2ii), the [Microinsurance Network \(MiN\)](#), and the [GIZ-Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia \(RFPI\)](#) in partnership with the [Mutual Exchange Forum on Inclusive Insurance \(MEFIN\)](#) attracted about 60 insurance stakeholders mainly from the Asian region.

The dialogue explored the role that insurance could play in building resilience against climate change and the ever more frequent occurrence of severe natural disasters. The topic is particularly relevant to developing countries in the Asian region where large portions of the population work in the agricultural sector and, according to World Bank data, 90% of the population are unprotected against the impacts of climate change.

The dialogue narrowed in on the topic of availability of good quality data – something that is often cited as a key challenge to the development of climate risk insurance products. Participants heard from [Oasis Hub](#) about the increased availability of open source data and about [Etherisc](#)'s use of smart contracts and blockchain technology, to automate and improve efficiency and speed of the insurance value chain. The recording of the dialogue will be available shortly, please keep an eye on the [A2ii website](#).

NAIC INTERNATIONAL FORUM, EMERGING MARKETS PANEL DISCUSSION ON 'INCREASING MARKET ACCESS AND EDUCATION' | WASHINGTON DC | 12-13 MAY

The US National Association of Insurance Commissioners (NAIC) flagship international event took place on 12-13 May. Over the course of the two

days, through panel discussions and keynote addresses key developments in the insurance sector and the evolution of insurance regulation around the globe were explored. The sold-out event attracted over 300 people from across the US insurance industry as well as a number of international attendees.

Hannah Grant, Head of the Access to Insurance Initiative joined representatives from Brazilian insurance supervisor (SUSEP), Global Asia Insurance Partnership on the 'Emerging Markets Panel' moderated by **Marlene Caride**, Commissioner, New Jersey Department of Banking and Insurance. The panel discussed trends and challenges in emerging markets and drew parallels with more developed markets such as the US. The opportunity provided by the global pandemic for raising awareness together with improvements in efficiency as a result of technology were felt to provide hope for the future; however, the low interest rate environment along with the persistent low penetration rates remain a key challenge.



4TH ANNUAL DECENTRALISED INSURANCE CONFERENCE | AMSTERDAM | 21 APRIL

The A2ii participated in the [Decentralised Insurance Conference \(D1Conf\) hosted by Etherisc and Nexus Mutual](#) during Devconnect in Amsterdam on 21 April. D1Conf centred on how blockchain technology can be applied in insurance, particularly inclusive insurance. The event bridged interested stakeholders across the insurance and decentralised finance worlds.

Presentations kicked off with the [Microinsurance Network](#) introducing the concept of SUAVE in inclusive insurance. This was reinforced by presentations from [PULA](#) and Acre Africa, where [Acre Africa shared how Etherisc's blockchain platform was deployed in their weather index insurance product in Kenya](#). The Lemonade

Foundation then shared about upcoming advances in the climate risk insurance and blockchain space via the [Lemonade Crypto Climate Coalition \(L3C\)](#). The audience also heard about continuing progress in the technical aspects: An interesting idea for regulators was a [A43's risk matrix](#) that can quantify and qualify risks facing protocols.

A key question confronting the decentralised insurance community is: How will regulators approach decentralised insurance models? A2ii's [Hui Lin Chiew presented on the objectives of insurance regulation, how regulators are responding to innovations, and some grey areas relating to decentralised insurance](#). Hui Lin was then joined by Timo Bernau from GSK Stockmann in a closing fireside chat hosted by Etherisc's Jan Stockhausen, where further regulatory reservations and possible areas of consensus were considered.

Upcoming Events

INCLUSIVE INSURANCE TRAINING PROGRAMME | 23 AUGUST – 15 SEPTEMBER

This training programme is offered in partnership with the Toronto Centre and IAIS. It will be offered to supervisors from all regions in English. Live sessions with trainers will take place virtually over 8 days, Tuesdays and Thursdays from 23 August to 15 September 2022, from 13:00 to 17:00 CEST on MS Teams. Participants will also be required to complete online modules on the Connect.A2ii platform.

The training is targeted to entry- to mid- level insurance supervisors.

Topics covered in the training include:

- Regulation and Supervision Supporting Inclusive Insurance Markets
- The Role of the Supervisor
- Prudential Aspects in Inclusive Insurance Supervision
- Climate and Environmental Risks
- Understanding the Market and the Environment
- Uses of Technology in Inclusive Insurance
- Key Performance Indicators
- Sustainable Development Goals and Insurance

Places will be limited – if interested, [please register on our website](#).

CONDUCT AND CULTURE - SUPERVISORY DIALOGUE



Matters related to conduct and culture are of growing importance to both conduct and prudential supervisors, especially in the context of rapidly changing financial markets driven by innovation, changes in consumer expectations and broader societal changes.

The IAIS defines corporate culture as “the set of norms, values, attitudes and behaviours of an insurer that characterises the way in which the insurer conducts its activities” (IAIS, 2021). How does culture shape firm behaviour in treating vulnerable customers fairly? How can firms see purpose in inclusive insurance approaches?

These and other questions will be addressed on 21 July, when the A2ii together with the IAIS will host a Supervisory Dialogue on Conduct and Culture.

Lauren Eckermann from the IAIS will be presenting the [Issues Paper on Insurer Culture](#), published in November 2021.

The presentation will be followed by a Panel discussion moderated by **Charlotte Cross** (Chair IAIS Market Conduct Working Group and Financial Conduct Authority UK) where she along with two other supervisors will be sharing supervisory examples on the topic.

This webinar will be **supervisors only** and will be taking place at **10:00 CET** (with French

interpretation), and at **16:00 CET** (with Spanish interpretation).

Link to [10:00 registration](#)

Link to [16:00 registration](#)

Visit [our website version](#).

If you have any questions or comments, please send them to dialogues@a2ii.org

Staffing Update



Hui Lin Chiew, our former Advisor, has taken up a new position with Etherisc. Hui Lin was A2ii’s Asia regional contact, technical lead on regulatory impact and market conduct, and spearheaded the recent project with Sub-Saharan African insurance supervisors on [supervisory KPIs](#), as well as piloting [in-country capacity building in Nepal](#). We wish her the best and are grateful for her years with us!



The A2ii warmly welcomes **Milena Kozomara** as our newest Advisor. Milena will focus on the Inclusive Insurance Innovation Lab and will also support donor engagement and A2ii’s climate-related work. Before joining the A2ii, Milena worked as a Project Development Manager for Green Climate Fund at GIZ. Prior to that, she worked at the UN system for various UNDP offices, UN Women and UN FAO. She holds a B.Sc in Spatial Planning from Belgrade University and an MA in International Environmental Policy from Monterey Institute of International Studies (California, US).

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

About the IAIS

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

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

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

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