

# **Stakeholder Engagement and Consultation Policy**

## **Draft for public consultation**

### **June 2023**



## 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.

For more information, please visit <http://www.iaisweb.org> and follow us on LinkedIn: [IAIS – International Association of Insurance Supervisors](#).

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## 1 Introduction

As the global standard setter for insurance supervision, the IAIS is committed to undertaking stakeholder engagement to identify, assess and respond to evolving risks in the global insurance sector, in developing global standards and in assessing their implementation. Our Stakeholder Engagement and Consultation Policy makes clear that stakeholder engagement is an integral part of what we do as a standard setter. The Policy builds on a solid foundation of established stakeholder engagement but recognises that to reach a wider range of stakeholders it is important that the IAIS continues to innovate in the way it engages. The policy is focused on ensuring that the IAIS is able to engage with a diverse range of stakeholders, that stakeholders have equal access to the IAIS and that conflicts of interest are avoided.

## 2 Stakeholder definition

The IAIS defines “stakeholders” as “all groups and individuals who have an interest in insurance supervision and regulation or who are affected by the activities of the IAIS and shall be interpreted as broadly as possible.”

Given the technical nature of much of the Association’s work, IAIS engagement includes consumer groups, insurers, trade associations, professional associations and other interested parties such as academics and other international organisations focused on the insurance sector. However, it may be necessary to undertake wider proactive engagement to seek specific feedback on the IAIS’ work.

## 3 General approach to stakeholder engagement

Guiding principles for stakeholder engagement are included in the IAIS’ governing documents. The IAIS By-Laws commit the IAIS to operate in an “open and transparent manner” and to “consult publicly” with stakeholders. The By-Laws also commit the IAIS to “liaise and co-operate with other international organisations.”

### IAIS By-laws (Excerpts)

#### Article 2: Mission of the Association

(2) In furtherance of its mission, the Association will, in particular:

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(f) liaise and co-operate with other international organisations, particularly those involved in issues of financial markets supervision and promotion of financial growth, stability and integrity

(3) The Association will operate in an open and transparent manner setting an appropriate example of transparency, administrative due process and governance, while maintaining the ability for supervisors to exchange information in confidence. In the development of the Association’s supervisory and supporting material the Association will consult publicly and make its consultation procedures transparent.



IAIS engagement with stakeholders is driven by four principles:

1. **Diversity, equity and inclusion (DEI)** – the IAIS will seek to engage with all relevant and interested stakeholders to reflect the geographic and market diversity of its members. Among our range of stakeholders, it will be key to reach stakeholders that provide a consumer voice and those from emerging markets and developing economies to ensure these perspectives are effectively recognised.
2. **Transparency** – the IAIS is committed to operating in an open and transparent manner, with appropriate consultation processes and governance, whilst maintaining the ability for members to exchange information in confidence. The IAIS will on a quarterly basis publish a list that details stakeholder meetings and topics discussed. In the IAIS Roadmap IAIS will respectively set out its plan for engagement during the period and in its Year in Review it will provide an update on how this was achieved.
3. **Equal access** – the IAIS will seek to ensure equal access for those groups that wish to engage but that have limited resources to do so. This is likely to mean the need to tailor engagement, for example more use of virtual meetings to allow a wider group of stakeholders to take part and may include financial support to participate. With the exception of the Annual Conference, all IAIS stakeholder engagement must offer at least a virtual option. Additionally, the IAIS will seek to communicate in a manner that is accessible taking into account the technical nature of our work.
4. **Avoid conflicts** – the IAIS will seek at all times to avoid any conflicts of interest.

## 4 Benefits of effective engagement

Effective stakeholder engagement has been instrumental in the completion of important initiatives designed to achieve the IAIS' mission. The benefits to the IAIS from enhanced stakeholder engagement are:

- Developing supervisory and supporting material with broad public input and diverse perspectives, which enhances the overall quality of IAIS work;
- Increasing organisational transparency;
- Facilitating implementation of IAIS work by member jurisdictions;
- Validating and supporting research;
- Ensuring policy decisions are based on the most relevant information;
- Promoting policy innovation through valuable external viewpoints and fresh perspectives; and
- Bringing in additional skills in specialist analytical and data handling roles.

## 5 Purpose, goals and expectations for stakeholder engagement

Effective stakeholder engagement should ensure that stakeholders are properly consulted during IAIS policy development and that the opportunity for timely, substantive and high-quality contributions from stakeholders is maximised. It will be pursued consistent with our four principles set out above. Effective stakeholder engagement can bring valuable information to the design and implementation of successful policy solutions and further inform decision making.

Stakeholder engagement has the following purpose:

- Ensure that meaningful and effective engagement with all stakeholders is an integral part of IAIS policy development;



- Encourage participation from a wider range of interested stakeholders through a transparent and efficient consultation process and other interactions; and
- Promote the exchange of experience, expertise and information between and among our members and stakeholders.

Being transparent about our work is a fundamental building block of our efforts to increase stakeholder engagement. As a minimum the IAIS undertakes the following:

- **Strategic Plan** – when developing the five-year Strategic Plan the IAIS seeks feedback from a wide range of stakeholders as it seeks to determine the focus for its work.
- **Roadmap** – provides a clear indication of the IAIS’ priorities and deliverables in the near term (two-year time frame) so that stakeholders are well aware of the issues on the IAIS’ agenda. Equally, in developing the Roadmap the IAIS seeks to take on board stakeholder feedback.
- **Meetings** – the IAIS publishes details (in accordance with our Confidentiality Policy) about (sub)committee and public meetings on our website and well in advance.
- **Digital communications** – the IAIS shares updates through various digital communication channels, including the public website, social media (LinkedIn), email alerts and its newsletter. All are key channels for sharing information with stakeholders about the work of the IAIS in a transparent and timely manner.

The IAIS undertakes engagement to:

- **Identify, assess and respond to evolving risks in the insurance sector** – a key reason for engagement is to supplement supervisory information gathering with an understanding of developments in the global insurance sector from the perspective of the various market participants. Engagement with a wide range of stakeholders can provide important intelligence on market developments and emerging risks. For instance, the annual CRO Roundtable is part of a process to gather feedback for the IAIS’ annual Global Monitoring Exercise (GME). Equally, the IAIS Forums benefit from engagement with stakeholders to discuss emerging trends in their respective areas.
- **Inform development of supervisory and supporting material** – stakeholder engagement is key for policy development. There is a need for transparent and open engagement throughout the policy development process, at project initiation, when draft material is available and during implementation. This applies at all levels within the IAIS policy development. For projects that involve policy development, the IAIS engages with stakeholders throughout the project lifecycle, including:
  - *Initial discussions* – when initial discussions are taking place at subcommittee level about the development of new material, there may be a benefit of engagement sessions, including for instance through a stakeholder engagement webinar or by inviting experts to present at a subcommittee meeting. When commencing a significant project, consideration should be given to whether a public session should be organised to gather feedback on specific issues relevant to the work.
  - *Consultation* – the IAIS conducts open, formal and transparent public consultation processes.
  - *Finalisation of a project* – at the end of such projects, the IAIS publishes the final materials and organises a stakeholder engagement webinar to provide background and allow room for questions.



The IAIS uses the following approaches to stakeholder engagement:

- **Annual Conference** – an in-person event to support member engagement with stakeholders and to discuss key issues in the insurance sector.
- **Global Seminar** – a virtual event for engaging with stakeholders on the IAIS' work.
- **Dialogues** – the IAIS undertakes regular dialogues with stakeholders including at ExCo level and between the ExCo Chair/Vice Chairs and key stakeholders.
- **Public webinars** – the IAIS regularly organises public webinars throughout the year to provide updates on its projects, answer questions and provide an opportunity for feedback. These sessions are organised virtually to allow maximum participation and typically a recording is made available on the IAIS website.
- **Conferences** – the ExCo Leadership and Secretariat Management Team regularly attend and speak at conferences to broaden the IAIS' stakeholder engagement.

## 6 Implementing the policy

The IAIS recognises that effective consultation can bring valuable information to help design successful policy solutions and make informed decisions.

The IAIS applies practices for consultations to ensure they are as effective, consistent, transparent and predictable as possible. The aims of consultation are to:

- Ensure that all stakeholders are properly consulted in the IAIS' policy development;
- Encourage more involvement of interested stakeholders through a transparent consultation process;
- Build a standardised framework for consultation that is clear and consistent yet flexible enough to take account of the specific requirements or circumstances of individual projects; and
- Promote the exchange of experience, expertise and information between and among our members and stakeholders.

### 6.1 Executive Committee dialogue

The Executive Committee (ExCo) is responsible for providing overall strategic direction and managing IAIS activities in a manner consistent with the specific duties set forth in the Association's by-laws. At least twice a year, the Chair, Vice Chairs and other members of the ExCo invite stakeholders to an open dialogue to discuss relevant substantive issues. These will normally be held alongside the virtual Global Seminar and in-person Annual Conference. The timing and logistics will be determined by the Secretary General in consultation with ExCo in order to maximise participation and sufficient time will be devoted; specific information about the dialogue will be provided to stakeholders in advance as the dialogues are planned.

Stakeholders will be invited to submit questions or topics for discussion prior to the dialogue, but this will not preclude attendees from asking the Committee for comments on any other relevant issues. Additional dialogues can be set by the ExCo at its discretion.

### 6.2 Consultation process

The IAIS undertakes public consultation on new supervisory and supporting material or amendments to existing supervisory and supporting material.



### 6.2.1 Types of IAIS material

#### Supervisory material

Supervisory material is generally classified into the following categories:

- **Insurance Core Principles (ICPs)** are comprised of Principle Statements, Standards and Guidance, as a globally accepted framework for insurance supervision; and  
The Common Framework for the Supervision of Internationally Active Insurance Groups (**ComFrame**) builds on the ICPs and sets out Standards and Guidance specific to the group-wide supervision of International Active Insurance Groups. The Insurance Capital Standard forms the quantitative element of ComFrame.
- The Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector (“holistic framework”) includes, amongst others, an integrated set of supervisory policy measures for macroprudential purposes. These are integrated into the ICPs and ComFrame.

#### Supporting material

Supporting material is generally classified into the following categories:

- **Issues Papers** provide background on particular topics, describe current practices, actual examples or case studies pertaining to a particular topic and/or identify related regulatory and supervisory issues and challenges. Issues Papers are primarily descriptive and not meant to create expectations on how supervisors should implement supervisory material. Issues Papers often form part of the preparatory work for developing Application Papers or supervisory material and may contain recommendations for future work by the IAIS.
- **Application Papers** provide additional material related to one or more ICPs or ComFrame, including actual examples or case studies that help practical application of supervisory material. Application Papers could be provided in circumstances where the practical application of principles and standards may vary or where their interpretation and implementation may pose challenges. Application Papers can provide further advice, illustrations, recommendations or examples of good practice to supervisors on how supervisory material may be implemented.

#### Other material

The IAIS produces other written, public, materials that fall outside the classification of material described above. This other material falls into the following categories:

- Framework material, which includes overarching framework documents, guidance on the operationalisation of overarching frameworks, and data templates and technical specifications.<sup>1</sup>
- IAIS reports and notes, are on strategic themes and other topics of interest to the IAIS’ mission. They are often intended to be informational and relatively short and developed within a relatively brief project timeline, to allow for more timely publication.
- Secondary material, which includes surveys, letters of response to other international organisations and summaries.

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<sup>1</sup> “Level 1” documents provide an overarching framework, which outlines the overall principles and concepts underlying the relevant material. “Level 2” documents contain more detail than Level 1 documents, so as to provide guidance on the operationalisation of the relevant Level 1 documents. “Level 3” documents such as data templates and technical specifications, aim to provide more granular detail consistent with the Level 1 documents. These documents can be seen as the practical implementation of the Level 1 and/or Level 2 documents. Examples of “Level 3” documents include instructions, questionnaires, data templates and technical specifications





## 6.2.2 *Development and approval of supervisory and supporting material*

**Before the start of the project**, generally the IAIS will set out its plans to develop supervisory and supporting material annually in its Roadmap which:

- Describes all the projects, including their scope and objectives;
- Identifies the reason(s) the Association is pursuing the project and the issues it intends to address;
- Outlines each project's high-level workplan, including the responsible (sub)committee(s), timeline for completion, opportunities for formal input and deliverables; and
- Provides perspective on how the project fits into broader IAIS activities.

**Public consultation.** Prior to seeking adoption, the supervisory or supporting materials are subject to at least one public consultation. The consultation period for both supervisory and supporting material should in principle be at least 60 calendar days. In determining the length of the consultation period, the complexity and scope of the public consultation documents are among the factors considered. All comments received during this process are made publicly available unless otherwise requested by the submitting party.

**Public background session.** When commencing a public consultation, the IAIS organises a public background session on the material being released for public consultation. In principle, the session is conducted as a public webinar which is announced in advance on the IAIS website. The recording of the webinar is typically made available on the IAIS website. The purpose of this session is to:

- Provide background information on the project;
- Outline how the project has progressed and describe the content that is being presented for public consultation;
- Describe specific issues or options for which the IAIS is seeking targeted input; and
- Respond to initial questions from stakeholders.

**Subsequent public consultations as necessary.** If a subsequent public consultation is deemed necessary for supervisory or supporting material, it is subject to the same procedures as the initial consultation.

**Final adopted material.** To be adopted, supervisory and supporting material requires a formal approval as follows:

- **Supervisory material** requires approval by the relevant Parent Committee(s) before the final version is presented either to the ExCo or General Meeting for adoption.
- **Supporting material** requires approval by the relevant Parent Committee(s) and the ExCo and is presented to the General Meeting for information.

Following adoption, the final document is posted on the IAIS website with a document setting out resolution of comments in response to the public consultation.

In principle, a **public discussion session** is organised following the publication of the final document to provide feedback on the final document. The session is conducted as a webinar which is announced in advance on the IAIS website. The recording of the webinar is typically made available on the IAIS website. The purpose of this session is to:

- Present the main issues raised during the consultation and how those issues have been or are proposed to be resolved;
- Describe the timing of subsequent work and any further opportunities to provide input; and
- Seek and consider feedback on work completed to date and future work planned.



### 6.2.3 *Development and approval of other material*

**Framework material:** Although not supervisory or supporting material, the approval requirements for framework material is designed to generally reflect a hierarchy of relevance of the material to the IAIS' overall strategic goals:

- Documents designated as “Level 1”, which generally outline the Association’s overall strategic approach to an issue, require approval by the relevant Parent Committee(s) before the final version is presented either to the ExCo or General Meeting, for adoption.
- Documents designated as “Level 2” require approval by the ExCo for adoption.
- Documents designated as “Level 3”, being more technical in nature, require approval by the relevant Parent Committee(s) for adoption.

Level 1 and Level 2 documents generally undergo public consultation prior to adoption.

**IAIS Reports and Notes** typically do not undergo a formal consultation process, although stakeholders may be invited to provide input through other means (eg surveys, webinars and other targeted inputs).

- IAIS Reports are developed through the IAIS committee structure process and those that are published require approval by the ExCo.
- IAIS Notes are developed primarily by the Secretariat, sometimes in collaboration with another organisation, and those that are published require approval by the ExCo Chair and include an appropriate disclaimer.

**Secondary material** typically does not undergo a formal consultation process, although stakeholders may be invited to provide input through other means (eg surveys, webinars and other targeted inputs).