



IAIS 2023-2024 Roadmap and Strategic Plan

ASSAL Annual Conference

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IAIS High-Level Goals

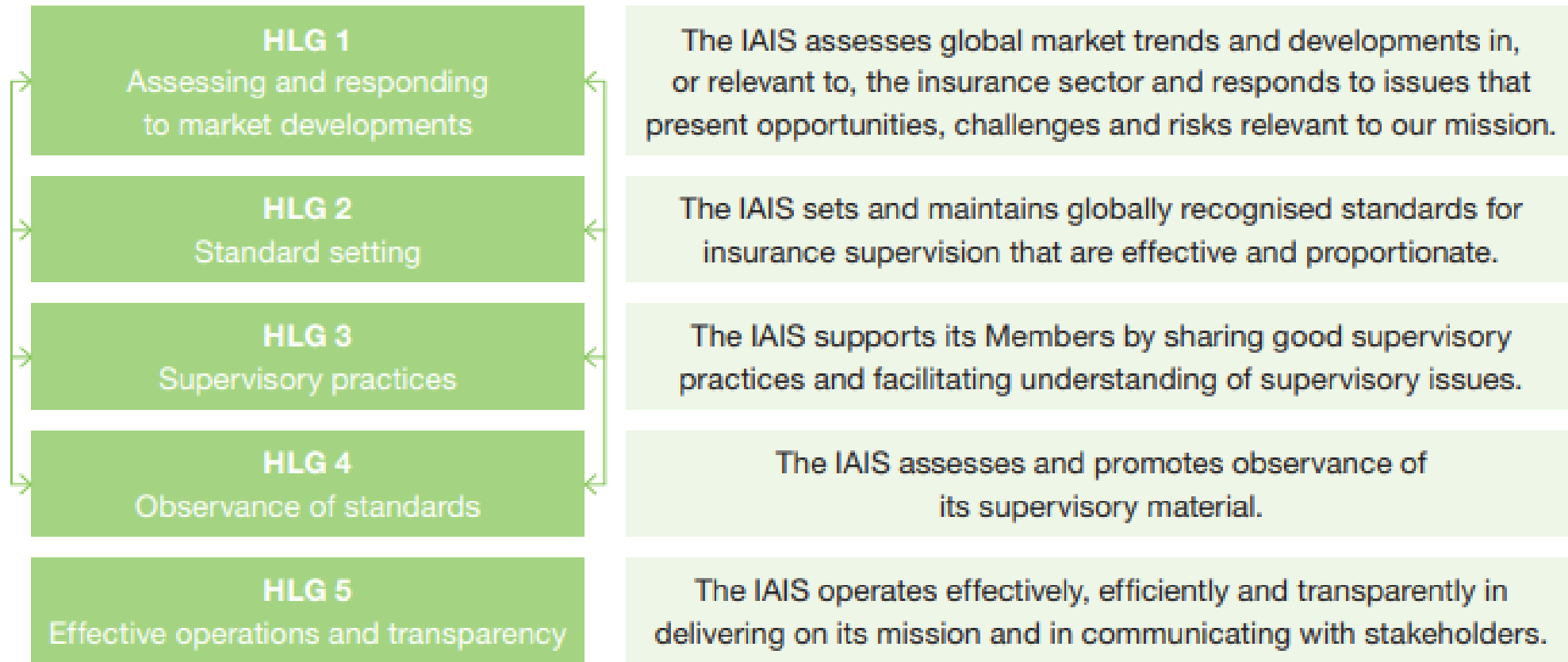


Figure 1: IAIS High-Level Goals from the 2020-2024 Strategic Plan

Strategic Themes

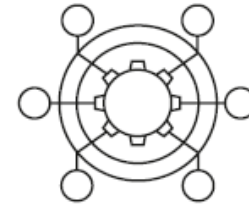
Strategic Themes and Accelerating Trends



Climate risk



Conduct and culture



Digital transformation



Diversity, equity
and inclusion



Financial inclusion



Operational resilience
and cyber risk





Climate Risk

Supervisory practices: Insurance Core Principles (ICPs) are sufficiently principles-based to capture climate-related risk. Limited changes will be made to the ICP guidance and supporting material will be developed. Several consultations will take place during 2023 and early 2024.

Scenario analysis: Work will continue to develop and share practical capacity building materials for insurance supervisors (eg *via* the CTA); and development of an Application Paper.

Data: Climate data elements are now an integral part of the GME. Outcomes are annually reported in our Global Insurance Market Report (GIMAR).

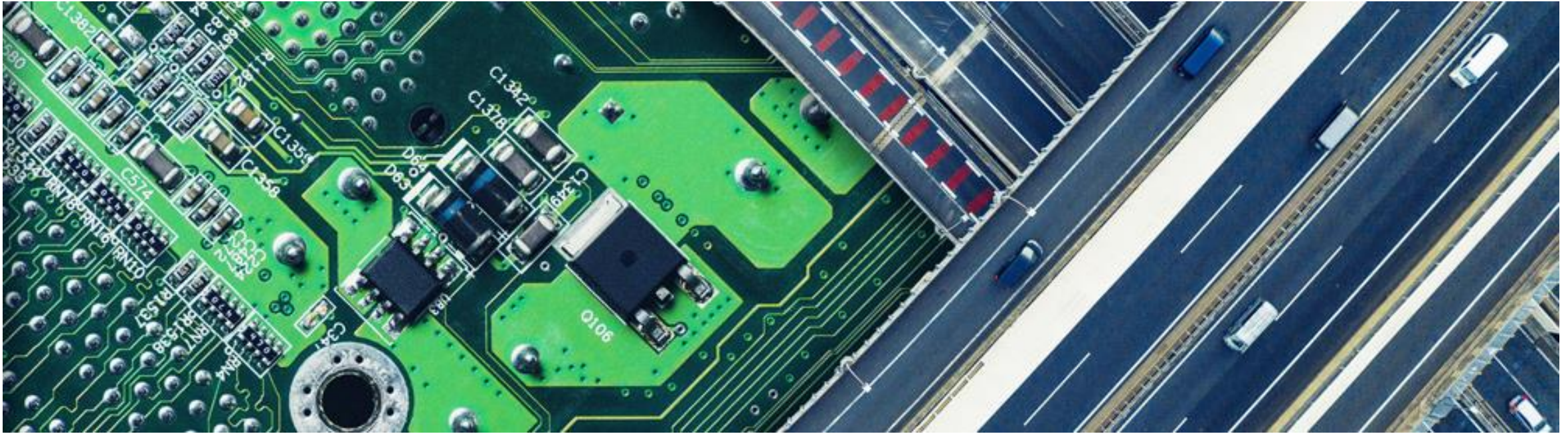
Insurance protection gaps: The IAIS will examine the role of supervisors in addressing natural catastrophe and disaster risk protection gaps. The IAIS will deliver a report by end-2023, and propose options for future work on the topic, including collaboration with partner organisations (eg OECD, IDF, A2ii).



Conduct and Culture

Across **Market Conduct Working Group (MCWG)** and **Governance Working Group (GWG)** we are exploring topics such as:

- The importance of insurer culture for the management of prudential and conduct risks, and to mitigate misconduct (see [Issues Paper on Insurer Culture](#) (Nov 2021))
- Fair treatment of customers in the context of extreme weather events and natural catastrophes
- More forward-looking and outcomes-based approaches to conduct supervision, particularly through the use of data as [conduct indicators](#) (June 2022)
- How remuneration policy and practice can drive good outcomes for insurance companies and their customers



Digital Innovation

FinTech Forum guides IAIS work on digital innovation

- Recently published [Report](#) presents the outcomes of deep dive assessments into: application programming interfaces (APIs) and open data; distributed ledger technologies (DLTs) and blockchain; and safe, fair and ethical adoption of artificial intelligence (AI) and machine learning (ML), and the use and governance of data.
- In 2023 the FinTech Forum will review existing artificial intelligence (AI)/machine learning (ML) guidance from supervisory authorities and explore the need for the IAIS to develop global guidance for the insurance sector.
- [Joint A2ii-FSI-IAIS note on SupTech in insurance supervision](#)



Diversity, Equity and Inclusion

The IAIS will focus in 2023 on helping insurance supervisors further understand the benefits of DEI, the connection between promoting DEI and their supervisory mandates and the range of available supervisory practices to promote DEI.

This work will have two main focus areas:

- How DEI within an insurer's institution benefits governance, risk management and corporate culture; and
- How DEI considerations in insurers' conduct of business, and their supervision, may result in fairer treatment of consumers who are vulnerable, underserved or have specific needs.

[See also: IAIS Stocktake on diversity equity and inclusion in the insurance sector](#)



Financial Inclusion (FI)

Supervisory practices: Three application papers and two issues papers on related issues

Capacity building: Close cooperation with the Access to Insurance Initiative (A2ii) as well as the Financial Stability Institute, Toronto Center, Microinsurance Network, Insurance Development Forum

Financial Inclusion Forum (FIF): Platform for peer learning and exchange, moderated by topic champions

- Discuss and deep dive into inclusive insurance trends, issues, opportunities and risks to create knowledge for FIF members
- Advocacy for the need and relevance of inclusive insurance and the role of supervision at the policymaker level.

Updating the AP on Regulation and Supervision Supporting Inclusive Insurance Markets and inclusion of updated case studies

IAIS is part of the **Enhanced Arrangements for FI** amongst global standard setters and financial inclusion organisations.



Operational Resilience and Cyber Risk

Operational Risk Task Force (ORTF)

leads our work on operational risk

- ORTF will **finalise in the first half of 2023** an Issues Paper, which identifies and assesses factors impacting insurance sector operational resilience; sets out examples of how supervisors are approaching these issues; and consider lessons learnt through the Covid-19 pandemic.

2023 GIMAR special topic on cyber risk

- Evidence/data gathering and assessing how cyber operational and actuarial risks in the insurance sector can impact financial stability;
- Understanding how insurance can mitigate/amplify these risks; and
- Exploring how the Global Monitoring Exercise (GME) could contribute to monitor these risks on a permanent basis.

2023 – 2024 Work Programme

Work Programme 2023-2024

- Risk assessment and maintenance of financial stability

- Implementation support and assessment; capacity building supervisory practices



Collaboration
and
Coordination

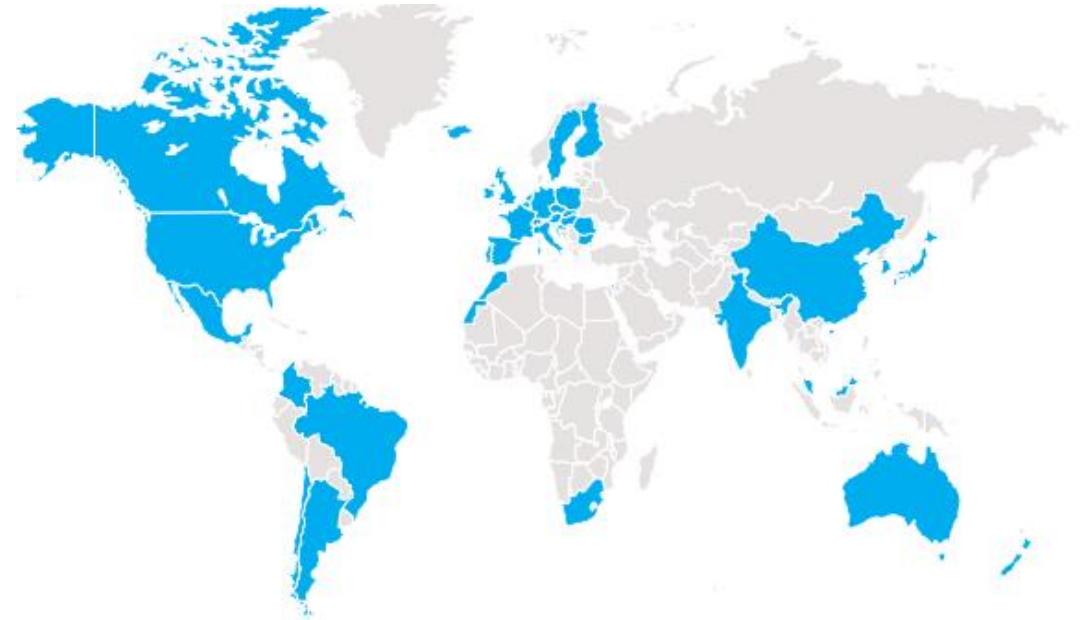
- Finalising post-crisis reforms (Insurance Capital Standard, Holistic Framework)

- Addressing risks and opportunities of accelerating trends; supervisory practices

The Global Monitoring Exercise (GME): Risk Assessment and Macroprudential Surveillance

An annual cycle with two confidential data collections

1. **Individual insurer monitoring (IIM)** of groups included in the Insurer Pool according to predetermined criteria: **61 groups from 18 jurisdictions** (for IIM 2022);¹ and
2. **Sector-wide monitoring (SWM)** of aggregate insurance market data collected from 27 IAIS members meeting the criteria set out in the [GME document](#)² plus voluntary members. 45 jurisdictions participated in at least one of the components of the SWM 2022 data collection, representing **>90% of global gross written premiums** (highlighted in blue for SWM 2022).



1 Insurer Pool criteria: Total assets of more than \$60 billion and a ratio of premiums from jurisdictions outside the home jurisdiction to total premiums of 5% or more, or total assets of more than \$200 billion and a ratio of premiums from jurisdictions outside the home jurisdiction to total premiums greater than 0%, or jurisdictional discretion.

2 Jurisdiction Pool criteria: The jurisdiction is a member of the FSB; or The jurisdiction is a home jurisdiction of at least one Internationally Active Insurance Group (IAIG) and/or of an Insurer Pool participating insurer.



Holistic Framework

Work to support the Holistic Framework is a key focus of the IAIS workplan also for 2023 and 2024

Risk assessment

- Refine and build on the GME, including incorporating liquidity metrics and developing other ancillary indicators.
- Evaluate the macroprudential supervision of two sector-wide themes:
 - Impact of high inflation
 - Tightening interest rates and structural shifts in the life insurance sector, including the involvement of private equity (PE)

Implementation monitoring

- Published in-depth Targeted Jurisdictional Assessment (TJA) of 10 major jurisdictions in Oct & Nov 2022
- [Published the results of the TJA](#) (April 2023) and initiate progress monitoring of the implementation of the HF supervisory implementation
- Commencing the assessment of the implementation of ComFrame later in 2023

Insurance Capital Standard (ICS)

The IAIS remains on track to finalise the ICS as a prescribed capital requirement (PCR) by end 2024

Data collection (Q2 2023): ICS/AM data

Consultations (Q3 2023):

- ICS as a prescribed capital requirement (PCR)
- Revisions to ICP 14 (Valuation) and ICP 17(Capital Adequacy)

ICS economic impact assessment (Q3 2023):

- Preceded by stakeholder input

Aggregation Method comparability assessment

- Stakeholder engagement on the development of scenarios
- Adoption of final criteria in March 2023
- Comparability assessment to start in the second half of 2023.

Supervisory Practices, Implementation Assessment and Support

Implementation Assessment

- **Peer Review Process:** Thematic assessment for a wide range of IAIS Members, conducted regularly for different ICPs.
- **Member Assessment Programme:** In depth-assessment of the ICP's implementation, including supervisory practices, in an IAIS jurisdiction.
- **TJAs of the Implementation of the Holistic Framework**
- ComFrame IA will commence in late 2023.
- **Self-Assessment Tool**

Supervisory Cooperation

- Facilitating information exchange and cooperation amongst supervisors through the **Multilateral Memorandum of Understanding (MMoU)**.
- Currently, 81 IAIS Members are signatories of the MMoU, accounting for more than three-quarters of the GWP of the global insurance sector.
- On-ongoing validation of new applications from IAIS Members to become MMoU signatories.
- New validators' training recorded and uploaded to the Extranet.

Capacity-Building & Training

- Sharing good supervisory practices and facilitating understanding of supervisory issues.
- Cooperation with our **implementation partners**.
- Training seminars and conferences, as well as initiatives to support **financial inclusion**.
- Support EMDE jurisdictions to keep up with their market growth and development.
- **Assessors Bootcamp: Training envisaged for 10-12 October 2023, followed by Q&A session.**

Forums & Papers

- **6 different platforms for supervisors to discuss and share examples of best practice on**
 - Financial Crime; Financial Inclusion; Fintech; Risk-Based Solvency Regime Implementation; Retirement Income and Pensions; Supervisory Issues
- Development of Supporting material such as **Application Papers** and **Issues Papers**.
- Revision of the Assessment Handbook.

Annex

Annex: Holistic Framework

In December 2022, the Financial Stability Board endorsed the IAIS' **Holistic Framework for the assessment and mitigation of systemic risk in the insurance sector** as an improved basis for its supervision of systemic risk in the insurance sector and discontinued the annual identification of Global Systemically Important Insurers (G-SIIs).

Global Monitoring Exercise

- **Individual insurer monitoring** covering ~60 of the largest international insurance groups
- **Sector-wide monitoring** covering ~45 of the largest insurance markets
- **Collective discussion** of identified insurance groups, as well as specific themes identified through the monitoring process.
- Findings are reported to the FSB as well as to the public in the Global Insurance Market Report (GIMAR)

Enhanced Macroprudential Supervisory Policy Measures

- **ComFrame** standards are applied to pool of close to 50 internationally active insurance groups (IAIGs) instead of just the previously-identified nine G-SIIs
 - Includes requirements related to **liquidity risk management** as well as to **recovery and resolution**, in line with the FSB Key Attributes.

Robust Implementation Assessment

- **Baseline assessment:** self-assessment by 26 jurisdictions including all FSB jurisdictions
- **Targeted jurisdictional assessments:** onsite assessment of 10 major insurance market jurisdictions

Annex: Insurance Capital Standard

ICS Overview

ICS Objectives

Purpose: to create a common language for supervisory discussions of group solvency and enhance global convergence among group capital standards.

- **Consolidated** minimum group-wide standard for IAIGs
- **Globally comparable** risk-based measure of capital adequacy
- Reflects **all material risks** of IAIGs
- Target criteria: **99.5% Value-at-Risk over 1-year** time horizon
- Being developed as a **‘Prescribed Capital Requirement’**
- Part of ComFrame (Common Framework for the Supervision of IAIGs)

Policyholder protection and financial stability

Comparable outcomes across jurisdictions

Promote sound risk management

Minimise inappropriate pro-cyclical behavior

Balance between risk sensitivity and simplicity

IAIG criteria:

At least USD50b insurance assets or USD10b premiums; active in 3 or more jurisdictions; and at least 10% of premiums written outside home jurisdiction.

Annex: IAIS Forums 1/2



Financial Crime Forum

Discuss developments in the areas of countering Money Laundering (ML), Terrorist Financing (TF), Proliferation Financing (PF) and fraud in insurance

Join us



Financial Inclusion Forum

Share supervisory practices and discuss issues, trends and opportunities impacting financial inclusion

Join us



Fintech Forum

Discuss developments in the area of FinTech, which includes InsurTech, RegTech and SupTech



Supervisory Forum

Discuss insurance supervision from a practical perspective, and practical topics also relevant to EMDE supervisors

Join us



Retirement Income and Pension Forum

Discuss the impacts of ageing populations and other developments affecting retirement income and pension products

Join us



Risk-based Solvency Implementation Forum

Exchange experiences on issues and challenges as well as on technical topics for implementing RBS and develop guidance paper for the transition

Join us



Annex: IAIS Forums 2/2

Supervisory Forum Work Programme

- The discussions of the Forum shall contribute to IAIS activities by supporting supervisory capacity building and implementation of IAIS supervisory material.
- The Forum aims to **facilitate consistent, efficient and effective supervision** by:
 - supporting **peer learning and the exchange** of developments in **supervisory practices and approaches**;
 - providing a platform for **raising awareness** and discussion of **emerging trends and potential risks, challenges and opportunities** in insurance supervision; and
 - facilitating **discussions on potential supervisory responses** to, and practical tools for, identified trends, risks and challenges

Next meeting → 11 May, 13:30 – 16:00 CEST (TBC)

Risk-based Solvency Implementation Forum Work Programme

- The RBSIF aims to **support EMDE jurisdictions to advance their observance of the IAIS supervisory material** and strengthening Members' supervisory frameworks by fostering the transition towards Risk-based Solvency (RBS) regimes. It pursues two main activities:
 - **Quarterly peer-exchange sessions** on the transition to, and technical aspects of, RBS regimes.
 - **Monthly meetings of a Drafting Group** to develop a **Members-only guidance** covering **quantitative, qualitative and disclosure components of RBS**, as well as **procedural aspects** of managing the transition

Next meeting → 17 May, 13:00 – 15:00 CEST
Considerations for selecting the type of regime

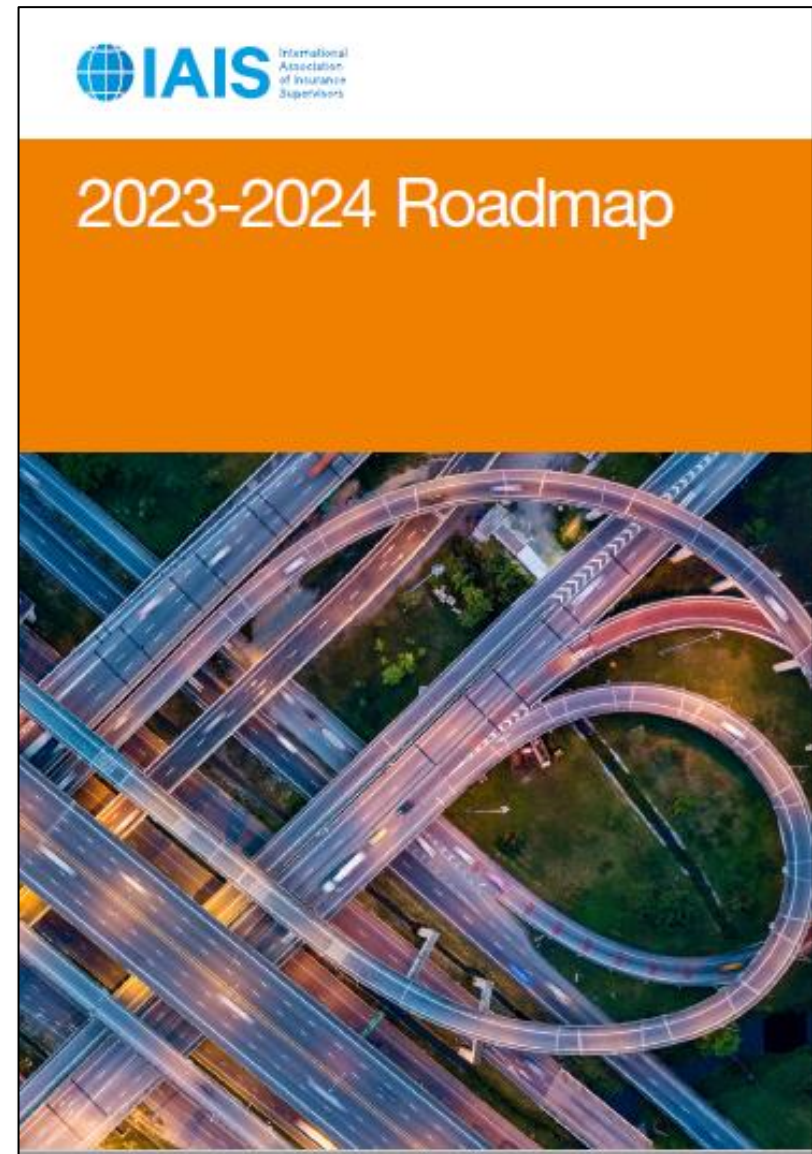
Annex: 2023 Capacity Building Activities

Log-on required to Members Extranet: [2023 Capacity Building Calendar](#) (status as of 31 March 2023)

Type	From	To	Event	Location
Public Dialogue	28.Feb	28.Feb	IAIS-A2ii Public Dialogue on Index Insurance	Virtual
Regional Seminar	01.Mar	02.Mar	GIICS Training Seminar	Gibraltar
Regional Seminar	17.Apr	21.Apr	Regional Seminar - Strengthening Resilience of Insurance in Sub-Saharan Africa (SSA) for Sustainability	Kenya
Regional Seminar	02.May	03.May	ASSAL Annual Conference	Costa Rica
High-Level Meeting	04.May	04.May	ASSAL-IAIS-FSI High-Level Meeting on Insurance Supervision	Costa Rica
Training	04.May	30.Jun	2 nd BIS-NGFS Climate-related and Environmental Risks Online Course (CEROC) for Banking and Insurance Supervisors	Virtual
Regional Seminar	8.June	10.Jun	Asian Regional Meeting 2023 - Building Resilience of Insurance towards Emerging Risks	Nepal, Kathmandu
Supervisory Dialogue	25.May	25.May	IAIS-A2ii Supervisory Dialogue on Diversity, Equity & Inclusion	Virtual
Training	May (TBC)	Jun (TBC)	IAIS-A2ii-TC Inclusive Insurance Training Programme - English	Virtual
Regional Seminar	(TBC)	(TBC)	Central Eastern Europe and Transcaucasia (CEET) Regional Seminar	Georgia
Supervisory Dialogue	05.Jun	06.Jun	BCBS-FSI-IAIS Use of Innovative Technology in Financial Supervision	Switzerland
Regional Seminar	05.Jul	06. Jul	GIICS Annual Seminar and Annual General Meeting	United Kingdom

Type	From	To	Event	Location
Training	06.Jul	06.Jul	FSI-IAIS Climate Risks In Insurance - Scenario Analysis	Virtual
Training	Aug	Dec	FSI-IAIS Regulatory and Supervisory Training Online Programme (FIRST ONE)	Virtual
Regional Seminar	Sept/ Oct (TBC)	Sept/ Oct (TBC)	ASSAL Regional Training Seminar	El Salvador
Public Dialogue	14.Sep	14.Sep	IAIS-A2ii Public Dialogue on Data on Protection Gaps	Virtual
High-Level Meeting	09.Oct	09.Oct	AFIR-IAIS-FSI High-Level Meeting on Insurance Supervision	Malaysia, KL
Regional Seminar	10.Oct	11.Oct	AFIR Annual Meeting and Conference	Malaysia, KL
Training	12.Oct	12.Oct	FSI-IAIS-EIOPA Webinar on Current trends on the use of AI, Open Finance and DLT in the insurance sector	Virtual
Training	10.Oct	12.Oct	Bootcamp for Assessors	Switzerland
Regional Seminar	25.Oct	26.Oct	Joint Autorité de Contrôle des Assurances et de la Prévoyance Sociale (ACAPS) – Capital Market Authority of Oman (CMA) Seminar (MENA Regional Seminar)	Morocco, Rabat
Training	Nov (TBC)	Nov (TBC)	IAIS-A2ii-TC Inclusive Insurance Training Programme - Spanish	Virtual
Supervisory Dialogue	23.Nov	23.Nov	IAIS-A2ii Supervisory Dialogue on SupTech/RegTech	Virtual
Training	TBC	TBC	IAIS-A2ii-IAA Actuarial Skills Training Programme	Virtual

IAIS 2023-2024 Roadmap





Thank you

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