



# IAIS Strategic Priorities 2023-24 Roadmap

ASSAL Regional Seminar

Conor Donaldson

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# IAIS High-Level Goals



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

# Work programme 2023-2024

- Risk assessment and maintenance of financial stability

- Implementation support and assessment

Collaboration  
and  
Coordination

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

- Addressing risks and opportunities of accelerating trends

# Strategic themes

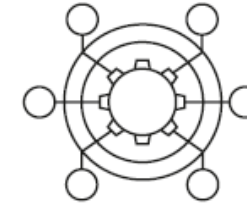
# Strategic themes and accelerating trends



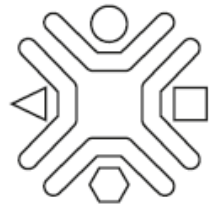
Climate risk



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.

# Financial Inclusion

**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

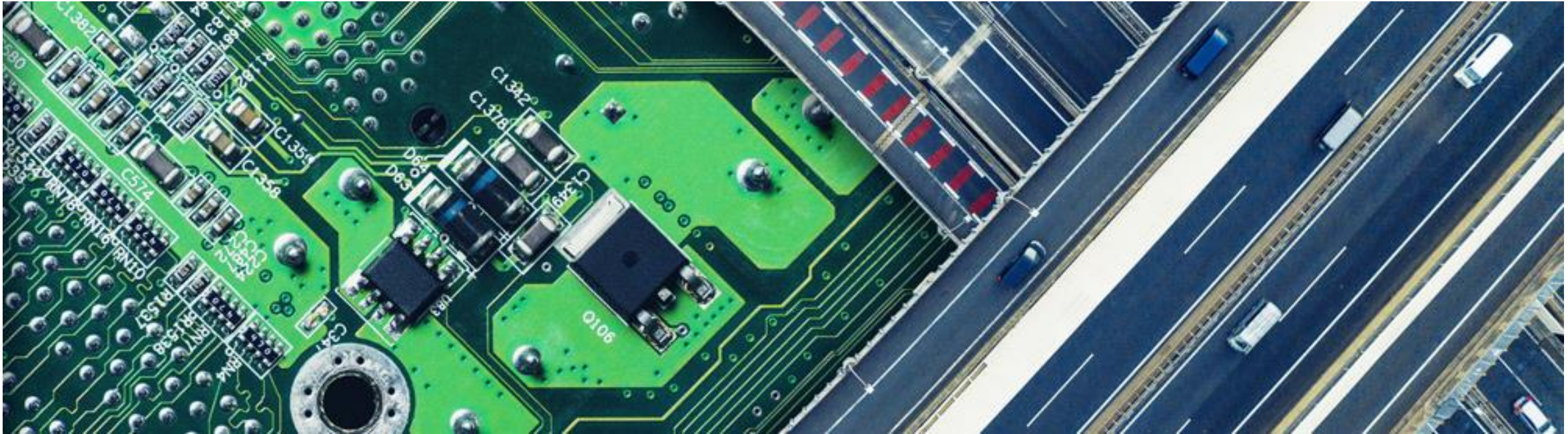
**Financial Inclusion Forum (FIF):** Platform for peer learning and exchange, moderated by topic champions

- Discuss and deep dive into inclusive insurance trends 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.

[Review of 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.





# 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](#)





# 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

- Gather evidence/data and make an assessment on how cyber operational and actuarial risks in the insurance sector can impact financial stability;
- Understand how insurance can mitigate/amplify these risks; and
- Explore how the Global Monitoring Exercise could contribute to monitor these risks on a permanent basis.



## 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



# 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](#)

# Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector

# 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:
  - The 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
- Publish 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)

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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.

# Implementation assessment and support



# 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 Implementation; Retirement Income and Pensions; Supervisory Issues
- Development of Supporting material such as [Application Papers](#) and [Issues Papers](#).
- Revision of the Assessment Handbook.

# 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



## Financial Inclusion Forum

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



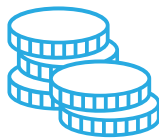
## Fintech Forum

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



## Retirement Income and Pension Forum

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



## 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

# IAIS Forums 2/2

## Supervisory Forum Work Program

- 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

## 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

# 2025-2029 Strategic Plan



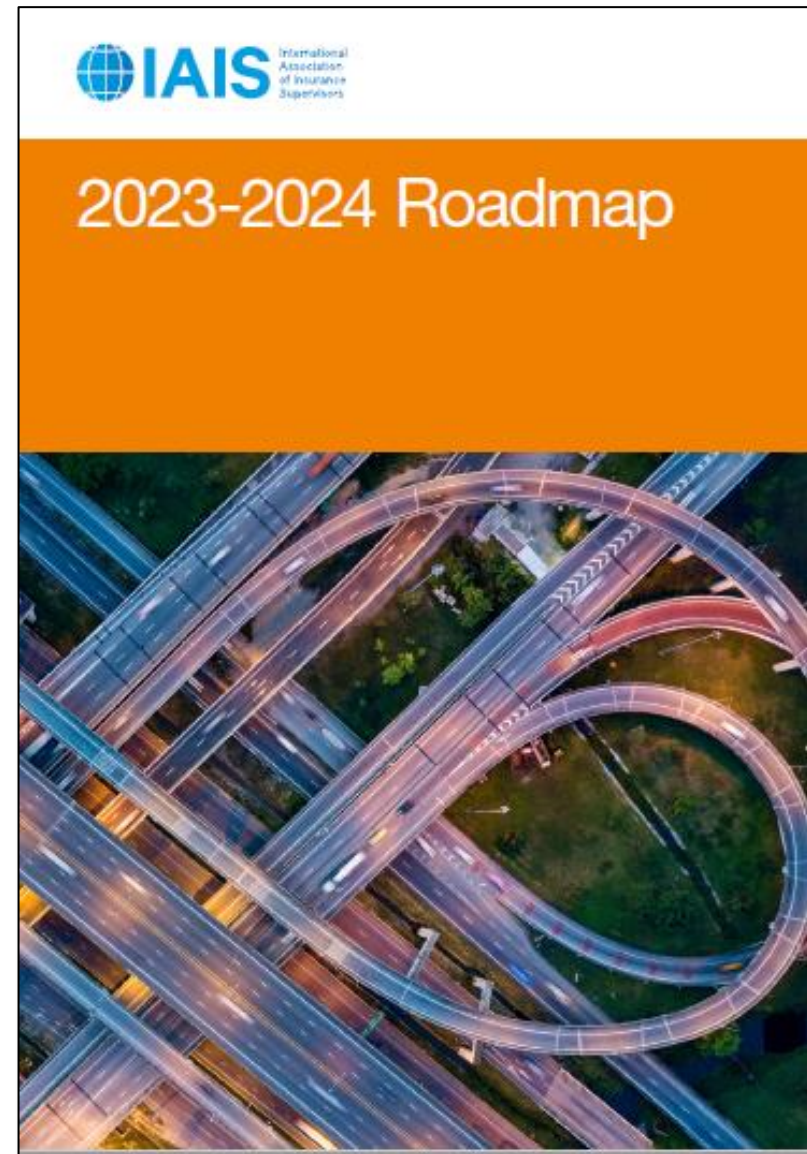
# Development of the IAIS Next Strategic Plan

- The SPFO sets the IAIS' direction for a five-year period.
- With its current plan running out in 2024, the IAIS is embarking on a process to develop its next five year plan – 2025-2029.
- The Strategic Plan and Financial Outlook Task Force (SPFOTF) is leading development, with strong engagement from IAIS' Executive Committee.
- ExCo's Strategic Retreat in September provided clear steering to the SPFOTF. Key points for SPFO will be shared at Annual Conference.

# Useful links

- IAIS Strategic Plan: [190613-2020-2024-Strategic-Plan.pdf \(iaisweb.org\)](#)
- 2023-2024 Roadmap: [iais-roadmap-2023-2024.pdf \(iaisweb.org\)](#)
- Insurance Core Principles and ComFrame: [ICPs and ComFrame - International Association of Insurance Supervisors \(iaisweb.org\)](#)
- Holistic Framework: [Holistic Framework - International Association of Insurance Supervisors \(iaisweb.org\)](#)
- Applications and Issues Papers: [Application Papers - International Association of Insurance Supervisors \(iaisweb.org\)](#); [Issues Papers - International Association of Insurance Supervisors \(iaisweb.org\)](#)
- Assessment Reports: [Implementation assessment - International Association of Insurance Supervisors \(iaisweb.org\)](#)
- GIMAR and GIMAR Special Topics: [GIMAR - International Association of Insurance Supervisors \(iaisweb.org\)](#)

# IAIS 2023-2024 Roadmap





# Thank you

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