

# Q&A Session with Interested Parties

**NAIC Fall Meetings**

13 December 2022

# Financial stability

- Downbeat global economic outlook
- Pressures for insurers – IAIS focus on credit and liquidity risk
- Other focus areas:
  - Structural changes in life insurance sector
  - Climate-related risks
  - Cyber risk
- Monitoring through our Global Monitoring Exercise (GME) as part of Holistic Framework; continued reporting to FSB





# ICS and related work

**Data collection (Q2 '23):** ICS/AM data

**Consultations (Q3 '23):**

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

**ICS Economic Impact Assessment (Q3 '23):** preceded by stakeholder input

**Aggregation Method comparability assessment**

- Stakeholder engagement on the development of scenarios
- Consideration of final criteria in March '23
- No impact on timing of the AM comparability assessment





# Climate Risk

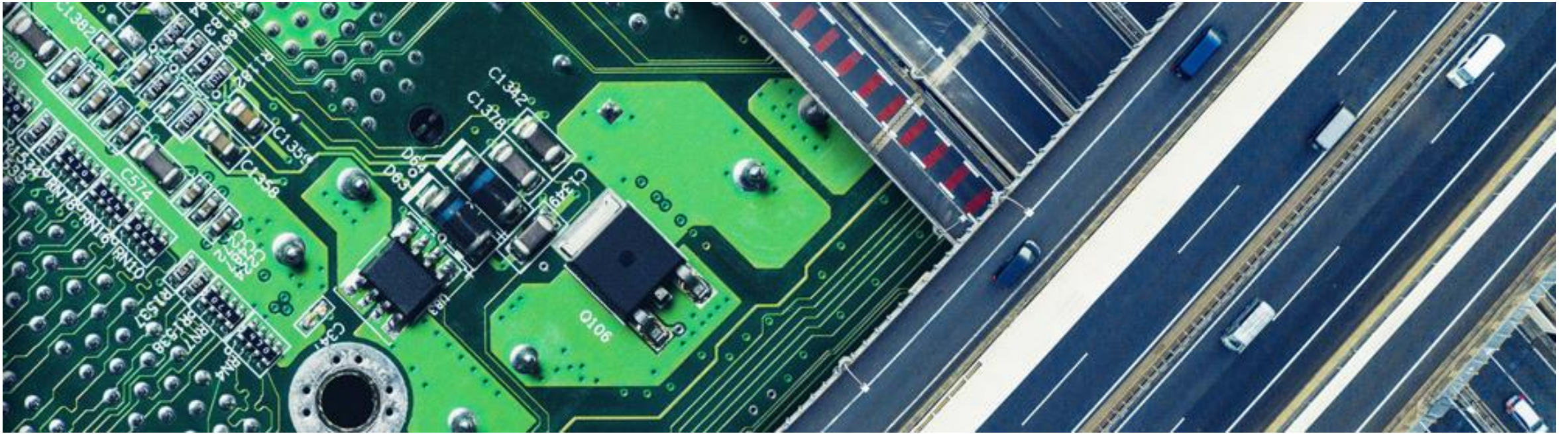
**Gap analysis:** Insurance Core Principles (ICP) standards are sufficiently principles-based to capture climate-related risk. Limited number of changes will be made to the ICP guidance and supporting material will be developed. Consultations will start in 2023, based on a prioritisation of issues.

**Scenario analysis:** shared practical capacity building materials for insurance supervisors. Use of scenario analysis for supervisory activities will be covered in Application Papers.

**Data:** since this year added climate elements to data collection of the Global Monitoring Exercise. Outcomes included in Global Insurance Market Report.

**NatCat protection gaps:** Task force will be soon established focusing on natural catastrophes and the risks of an increased protection gap. Close work with OECD and IDF. Report will be published in November 2023.





# Digital transformation

## This year we will publish two reports

An IAIS Report on FinTech developments in the insurance sector, sharing outcomes of analysis covering AI/ML, APIs and DLT

A joint note with the Access to Insurance Initiative (A2II) and the Bank for International Settlements (BIS) Financial Stability Institute (FSI) on the role of supervisory technology (suptech) in insurance supervision





# Operational risk

**Operational Risk Task Force (ORTF)** leads our work on operational risk

- Consultation on Issues Paper that describes operational resilience in the insurance sector and provides examples of how supervisors are approaching these developments, taking on board lessons learnt during the Covid pandemic. Consultation closes 6 January 2023.



## **GIMAR cyber special topic**

- 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 GME could contribute to monitor these risks on a permanent basis.





# Diversity, equity & inclusion

## Governance Working Group (GWG) and Market Conduct Working Group (MCWG)

- Last week, published a stocktake report on actions by insurance supervisors, international organisations, and the insurance industry to advance DEI in the insurance sector. The report also describes the IAIS' ongoing interest in DEI and two new projects in 2023.
- The IAIS is interested in both DEI internally within insurers (linked with better governance, decision-making, risk management and corporate culture) and how insurers can embed DEI considerations into their approach to customers (linked with more positive consumer outcomes).

## DEI at the IAIS as a global membership association

- Statement of our vision and our plan







# IAIS Roadmap

Complete 2023-24 Roadmap will be published in January.







# 2023 IAIS Global Seminar

15-16 June 2023 | Seattle | USA





An aerial photograph of a modern skyscraper, likely the Shanghai Tower, viewed from above. The building's unique twisted design is visible, and it is surrounded by other urban structures. Thick white clouds are swirling around the base and sides of the building, creating a dramatic, ethereal atmosphere. The right side of the image transitions into a solid blue background.

# Questions