

Introduction into IAIS, ICPs and PCG

Julia CILLIKOVA
Chair of IAIS Pensions Coordination Group
National Bank of Slovakia

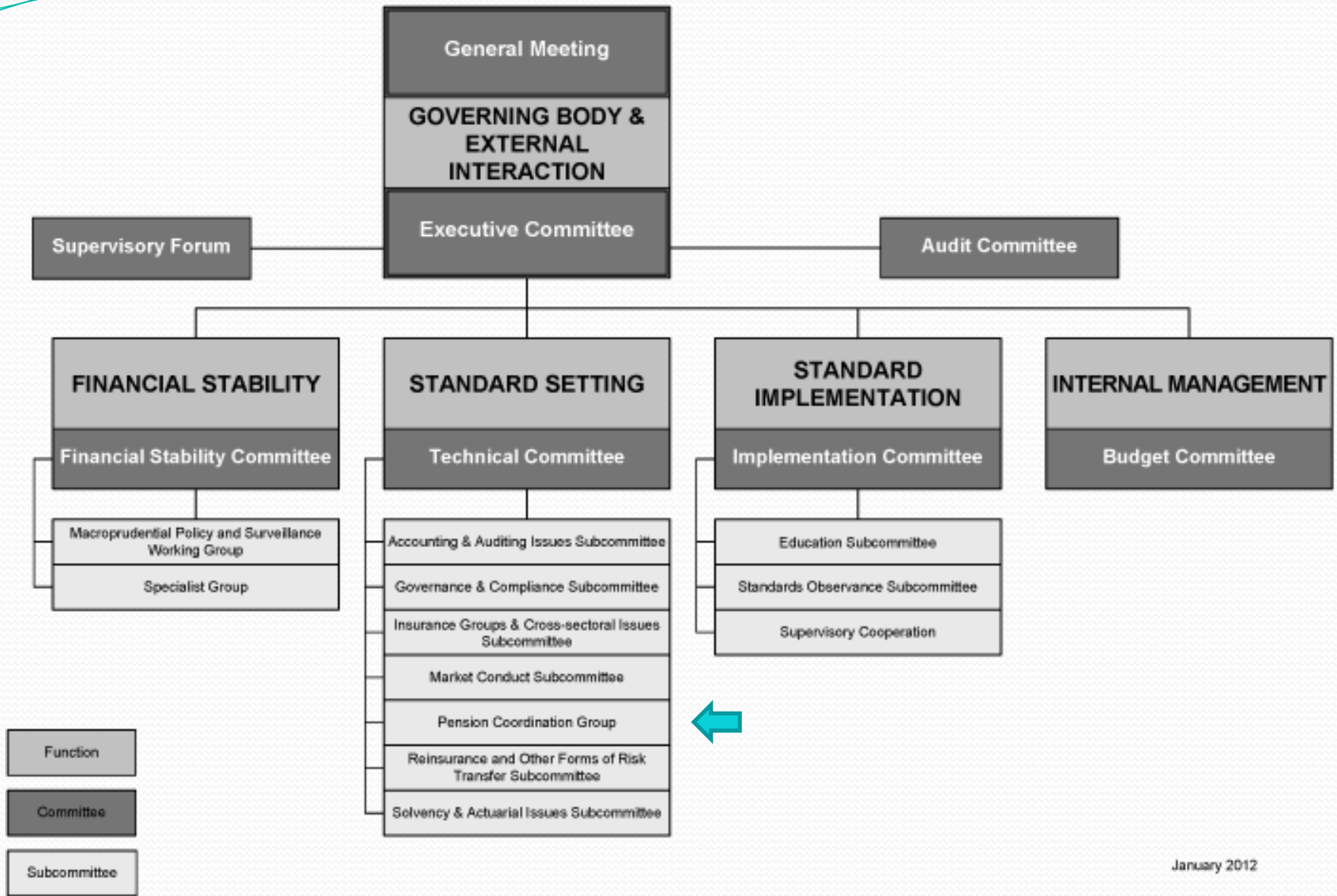
11 May 2012, Skopje

Global financial system regulatory framework



IAIS

- Established in 1994
- Represents insurance regulators and supervisors of some **190 jurisdictions**
- Since 1999, the IAIS has welcomed insurance professionals as Observers. Currently more than **120 Observers** representing industry associations, professional associations, insurers and reinsurers, consultants and international financial institutions.
- The IAIS issues global insurance principles, standards and guidance papers
- Provides training and support on issues related to insurance supervision



Insurance Core Principles (ICPs)

- part of 12 Key Standards for Sound Financial Systems
- a globally accepted framework for the supervision of the insurance sector
- Self assessment
- External assessment of compliance with ICP is part of financial stability assessment carried out by the World Bank and International Monetary Fund
 - Report on Observance of Standards and Codes available at <http://www.imf.org/external/NP/rosc/rosc.aspx>

Overview of ICPs

The new ICP package was adopted on 1st October 2011 on the IAIS General Meeting

- ICP 1 Objectives, powers and responsibilities of the supervisor
- ICP 2 Supervisor
- ICP 3 Information exchange and confidentiality requirements
- ICP 4 Licensing
- ICP 5 Suitability of Persons
- ICP 6 Changes in control and portfolio transfers
- **ICP 7 Corporate Governance**
- **ICP 8 Risk Management and Internal Controls**
- ICP 9 Supervisory review and reporting
- ICP 10 Preventive and corrective measures
- ICP 11 Enforcement
- ICP 12 Winding-up and exit from the market
- ICP 13 Reinsurance and Other Forms of Risk Transfer

Overview of ICPs

- ICP 14 Valuation
- **ICP 15 Investment**
- ICP 16 Enterprise Risk Management for solvency purposes
- ICP 17 Capital Adequacy
- ICP 18 Intermediaries
- **ICP 19 Conduct of Business**
- ICP 20 Public Disclosure
- ICP 21 Countering fraud in insurance
- ICP 22 Anti-money laundering and combating the financing of terrorism (AML/CFT)
- ICP 23 Group-wide supervision
- ICP 24 Macroprudential surveillance and insurance supervision
- ICP 25 Supervisory cooperation and coordination
- ICP 26 Cross-border cooperation and coordination on crisis management

All ICPs available at <http://www.iaisweb.org/ICP-on-line-tool-689>

Pension Coordination Group

The main aim:

- prepare the most integrated possible approach towards pension and insurance supervision from the point of view of substance and organisation.

Tasks:

- propose a model of IAIS-IOPS cooperation framework in order to facilitate the contacts between both organisations
- propose a model for IAIS strategy with regard to pension supervision
- check the consistency of OECD/IOPS principles, standards and good practices on pension regulation and supervision with IAIS principles, standards and guidance papers, and provide comments to the OECD/IOPS as relevant
- to monitor the scale of different IAIS members' involvement in pension supervision.

Current IAIS PCG members

- Belgium
- Cayman Islands
- Colombia
- European Commission
- Finland
- Germany
- India
- Jersey – vice-chair
- Namibia
- Poland
- Slovakia – chair
- Spain
- World Bank

Results of IAIS PCG Survey on Involvement of IAIS Members in Pension Supervision

Trend of integrating insurance and pension supervision into one institution.

Areas where the IAIS members see any **overlaps or commonalities** in the regulation and supervision of pension funds and insurance companies:

- governance,
- risk management (especially in DB pension plans)
- Investments
- solvency requirements (with respect to DB schemes)
- market conduct

International Insurance Symposium

October 15 – 16, 2012
Preston Auditorium
World Bank Headquarters
1818 H Street, N.W.
Washington DC, U.S.A.



The World Bank

SAVE-THE-DATE! *The World Bank will host an International Insurance Symposium on October 15-16, 2012 at the World Bank Headquarters in Washington, DC.*

Some of the topics to be addressed include:

- *Modernizing solvency and capital regimes;*
- *Efforts to improve access to insurance markets for the underserved – macro and micro level interventions;*
- *Pension Supervision Developments (in partnership with the IAIS Pension Coordination Subcommittee).*
- *Beyond SIFIs, what is left to do in the macro-prudential supervisory space?*
- *Protecting consumers one at a time: The role of market conduct regulation and supervision*

Insurance markets, insurance regulation and supervision are all undergoing change. Many global level projects seem to be progressing but the challenge for each of us is to decide what we will translate into our own day to day actions and initiatives in our own country. Sometimes the immediate debate seems to focus on details. When will we get the opportunity to discuss in a more open forum without the pressure of having to reach concrete conclusions in time for external deadlines? When can supervisory questions that have a longer term perspective be canvassed?

The World Bank Insurance Symposium will provide this opportunity – open discussion on a diverse range of subjects with stimulating input from experts with diverse opinions. The principal aim of the Conference is to exchange views and experiences and derive the key operational conclusions for policy makers and supervisors. The Conference creates awareness of the major challenges in developing or strengthening insurance and private pension markets and seeks cooperation for better solutions.

Please contact Ms. Uloaku Oyewole (uechebiri@worldbank.org) if you have any questions. Registration information will follow in the coming months.

We look forward to seeing you in October!

Questions?

Thank you for your attention.

julia.cillikova@nbs.sk