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Pandemic and projects

While spearheading the global supervisory response to COVID-19, the IAIS has progressed key projects

For the IAIS, 2019 was a watershed year. We delivered on our commitments to the post-financial crisis reform agenda with the adoption of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) and the Holistic Framework for the identification and mitigation of systemic risk in the insurance sector, while also agreeing on the way forward for the Insurance Capital Standard (ICS) version 2.0 for a five-year period of monitoring.

At the same time, we launched our new five-year Strategic Plan and Financial Outlook 2020–2024, which adds a pivot to future-oriented strategic themes that have the potential to reshape the financial system and insurance sector, such as technological innovation, sustainability, climate risk and cyber risk.

Pivot to the pandemic ...

We moved to implementation of our new Strategic Plan in 2020. Then the COVID-19 pandemic arrived. It quickly became apparent that this was truly a global crisis, requiring a global response. The IAIS rapidly pivoted to supporting our member supervisors to respond effectively to the challenges of the pandemic.

The IAIS also took steps to help insurance supervisors respond to the crisis by:

- Making adjustments to our work programme to provide operational relief to our member supervisors, insurers and other stakeholders, so that they can better focus on their individual efforts to respond to COVID-19.
- Re-scoping our forward-looking risk assessment element of the Holistic Framework (the Global Monitoring Exercise) so that the data collection provides a targeted assessment of the impact of COVID-19 on the global insurance sector.

- Establishing an information-sharing hub on supervisory measures in response to COVID-19 for our members. To date we already have over 100 submissions.
- Highlighting common views of IAIS members in responding to the crisis. For example, early on in the pandemic, the IAIS publicly cautioned lawmakers seeking to require insurers to retroactively cover COVID-19-related losses, such as business interruption, that were specifically excluded from policies.
- Ensuring strong collaboration and alignment with the FSB and other standard-setting bodies in responding to the impact of the COVID-19 crisis.

... while progress continues on key projects

While taking these steps, we have also continued to progress key projects and activities.

- Putting the Holistic Framework into operation has taken on even greater importance. The targeted COVID-19 data-collection exercise has provided a real-time implementation of this new framework for macroprudential risk assessment and a collective discussion on a coordinated global supervisory response.
- Similarly, the relevance of the ICS project has increased in light of the COVID-19 pandemic, given the importance of having a common language for group supervision in stressed conditions. By collecting year-end 2019 and first-quarter 2020 data, the IAIS will receive valuable information on how the ICS behaves under stressed

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conditions that will help deliver a sound, global, group solvency framework at the end of the monitoring period.

- At the same time, COVID-19 has acted as a catalyst that is accelerating many of the key strategic themes identified in our 2020–2024 Strategic Plan. These include, for example, technological innovation, cyber risk, issues of conduct and culture, and sustainable development in terms of supporting green recovery. We will continue to move forward on these topics with additional impetus. New areas that the IAIS, with its global convening power, is well suited to help address are also emerging from the COVID-19 pandemic. These include topics such as the pandemic risk protection gap and operational risk and

resilience issues related to insurance supervision under a “new normal” of increased remote working, remote supervision and an accelerated digitalisation of the insurance business model.

To tackle this ambitious agenda, while navigating the new normal, we will aim to become even more agile and creative in how we approach our work.

Building on the strong relationship that the IAIS and GFIA already enjoy, I am confident that we can together demonstrate an ability to adapt and innovate in the years ahead in the service of the insurance sector. 🏹



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