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IAIS Chair sets out response to "polycrisis" of interconnected risks

IAIS Executive Committee's Toshiyuki Miyoshi sets out how the standard-setter is responding to a converging set of risks, from AI and geopolitics to alternative assets on life insurers' balance sheets.

By Ahmad Zaki

Mr Toshiyuki Miyoshi

During his opening address yesterday morning, IAIS Executive Committee Chair Toshiyuki Miyoshi, described an insurance sector navigating what has sometimes been called a polycrisis: geopolitical developments unfolding daily, elevated macroeconomic uncertainty, rapidly advancing artificial intelligence and intensifying climate risk, all increasingly amplifying one another across markets, sectors and borders.

The IAIS tracks this through its holistic framework, assessing systemic risk since 2020 across both firm-level vulnerabilities and sector-wide developments. Its annual global monitoring exercise draws on data from around 60 of the largest international insurance groups and more than 50 supervisors, covering over 90% of global written premiums.

The IAIS has watched life insurers' growing use of alternative assets, including private credit and asset-intensive reinsurance, since 2021. Systemic risk from this shift appears limited at the global aggregate level so far, he said, but the pace of growth, cross-border structures and concentrated exposures among certain insurers warrant close monitoring, work the association is now extending through enhanced data collection and supervisory material.

On AI, he said the association's approach is not to discourage innovation but to ensure it develops within appropriate governance, with supervisors watching for algorithmic bias, cybersecurity gaps, model risk, weak explainability and third-party dependency as insurers move AI from back-office use into consumer-facing decisions.

Alongside this, he pointed to a broader push for regulatory modernisation, making supervision simpler, more proportionate and more outcome-focused as supervisory budgets and specialist resources remain constrained.

On the protection gap specifically, he said the IAIS has worked to keep the issue on the global policy agenda since Japan raised it during its 2023 G7 presidency, publishing a Call to Action and, with the World Bank, a G20 input paper arguing that supervisors have a basis for action on protection gaps regardless of their specific mandates, even though closing them is not the responsibility of supervisors or insurers alone. The association is now building a publicly available resource hub with the World Bank.

Over the past decade more than 2,000 supervisors have completed IAIS-FSI training, with regional engagement now reaching 500 to 700 supervisors a year, nearly 80% from emerging market and developing economy jurisdictions; a recent collaboration with the IMF on IFRS 17 and risk-based solvency reached more than 200 supervisors across 19 Asia-Pacific jurisdictions.

The Insurance Capital Standard, adopted as a global minimum standard in December 2024, was, he said, evidence that a diverse membership can find common ground on complex issues.

"There may not always be a single answer that applies across every market," Mr Miyoshi said, "but given the cross-border nature of the challenges we face, there is a need for a common framework."

Asia's protection gap: From diagnosis to delivery

Asia's insurers face an $770bn protection gap after a year of costly earthquakes, typhoons and floods. Industry leaders from the Philippines, Indonesia, Thailand and Macau discuss what has and has not worked in various attempts at closing it.

By Ahmad Zaki

Two months of catastrophe losses across Asia framed the opening of the protection gap panel yesterday morning. Global Asia Insurance Partnership Chairman Professor Yoshihiro Kawai tallied the toll: a magnitude 7.1 earthquake in Kumamoto, three typhoons that cost China nearly $9bn, a magnitude 7.7 quake in Flores, and glacial flooding in Tibet that killed nearly 7,000 people.

Asia's economic losses from natural catastrophes last year reached an estimated $80bn, he said, with less than 10% covered by insurance, leaving a $770bn gap. Life and health protection needs, he added, are wider still, at roughly $390bn.

That backdrop set up a panel built less around frameworks than around partnerships, working, stalled and lapsed. Philippine Insurers and Reinsurers Association Executive Director Michael Rellosa highlighted a public-private agriculture co-insurance pool under construction with the Department of Agriculture, the state-owned Philippine Crop Insurance Corporation and the World Bank, anchored on a $4.2bn government facility.

He also pointed to a different problem: a $225m catastrophe bond placed in 2019 released $52.5m on parametric triggers within weeks after Typhoon Odette in 2021, with "no loss adjustment, no dispute", yet the cover has since lapsed and not been renewed. "Innovation is not the hard part," he said. "Continuity is."

Reasuransi MAIPARK Indonesia President Director Kocu Andre Hutagalung said the country's protection gap has not fallen below 90% in a decade, and tops 95% for residential property. Indonesia's 2018 national disaster risk financing strategy, developed with the World Bank, underpins a disaster pool functioning like an endowment fund, a state-owned catastrophe consortium of 59 insurers and reinsurers, and an emergency response financing programme now covering more than 500 provincial and municipal governments through parametric triggers.

MAIPARK's own catastrophe models give insurers granular visibility of exposure, he said, a role made possible because every general insurer and reinsurer in Indonesia is a MAIPARK shareholder by regulation.

Thailand General Insurance Association Chairman of Property Insurance Committee Hakeem Benraheem outlined a landscape dominated by flood, with earthquake risk rising after tremors from the 2025 earthquake in Myanmar affected Bangkok's high-rises.

A National Catastrophe Insurance Fund, launched after the 2011 floods, has since been wound down, while a national agricultural insurance scheme now covers roughly 1,600 square metres per unit, paying claims within 15 days through the Bank of Agriculture. Data fragmentation, affordability and thin domestic capacity remain the core constraints, he said, alongside reliance on post-disaster relief that dulls the incentive to buy cover.

From Macau, Fidelidade's Candric Cheng talked about the government-sponsored SMB catastrophe programme that pays out when a signal-ten typhoon holds for ten hours, alongside heavy public investment in drainage and early-warning systems for a densely built, casino-dependent economy. He contrasted this with mainland China's fast-growing parametric agricultural insurance, covering crops such as banana and pineapple, in a market he said is projected to reach $900bn in premium by 2032.

Affordability and awareness were the main themes of the discussion. Mr Rellosa said the poorest households most exposed to catastrophe are often unaware of available cover, or cannot afford it, prompting the Philippines to build micro-insurance products and to channel part of the government's cash transfer programme toward premium.

Mr Hutagalung added that Indonesian regulators have had no shortage of World Bank and Asian Development Bank studies on the gap; what they lacked was a single, coherent industry counterpart, a role MAIPARK's shareholder structure now lets it fill.

The panel converged on the same conclusion: government cannot close the gap alone, but neither can industry. "We cannot solve the gap alone," Mr Rellosa said. "It has to be an all-of-society approach."

Professor Kawai ended the panel by urging insurers to supply data, expertise and trustworthy counterpart relationships to governments still learning how to engage the issue, arguing that without industry's initiative, "protection gap will never be addressed."

L to R: Messrs Yoshihiro Kawai, Michael F Rellosa, Kocu Andre Hutagalung, Hakeem Benraheem, Candric Cheng

Asia's insurers rethink healthcare

Asia's insurers face a shared reckoning with ageing populations and rising lifestyle disease. Panellists from Malaysia, Japan, Cambodia and Hong Kong describe the shift from paying claims to preventing them.

By Ahmad Zaki

During the panel on healthcare transformation yesterday afternoon, Keio University's Professor Norichika Kanie set the discussion against a stalling global agenda. Only around half of the UN's 2030 Sustainable Development Goal targets are on track or making moderate progress, he said, meaning insurers and governments across Asia will need to keep pushing well beyond 2030, with human and planetary wellbeing treated as inseparable.

The scale of the challenge varies by market but the pattern repeats. General Insurance Association of Malaysia CEO Chua Kim Soon said the country is ageing faster than most of its neighbours and will be an aged society before 2030, even as lifestyle disease compounds the problem: 24% of Malaysians are obese, the second-highest rate in ASEAN, 21% of adults have diabetes, and half of those do not know it.

Medical inflation is running at 16% a year, he said, pricing basic coverage out of reach for the bottom 40% of earners even as the government pushes free screening under its Peka B40 programme.

The insurance industry's own response has centred on financial literacy body FINCO, which has trained more than 10,000 teachers and reached hundreds of thousands of students, alongside employer wellness schemes and a widely cited Unilever handwashing campaign that Kanie credited with helping popularise the SDG agenda among Malaysian businesses.

Meiji Yasuda Life's Fellow, Sustainability Shinichi Kishi spoke of a similar pivot playing out inside a Japanese life insurer, which he called a shift "from protection to prevention." Beyond its core health products, the insurer now redeploys some of its 40,000-strong sales force into community revitalisation projects, offers free ESG assessments to help SMEs with limited resources produce sustainability reports, and runs a certification scheme with local governments.

The internal case for redirecting resources into prevention took years to build, Mr Kishi said, because the returns arrive over a much longer horizon than a conventional insurance product.

In Cambodia, Forte Insurance CEO Channtharong Suy described building financial inclusion from the ground up through a tiered product structure: a low-cost micro health and accident policy for informal workers, a mid-tier product for the growing middle class, and cover up to $2.5m for higher earners.

The approach has brought insurance to around a million Cambodians, a meaningful number domestically but a reminder of how far the market has to go, with penetration at roughly 1% of GDP against a global average near 7%.

Mr Suy said that trust, not product design, was the harder problem to solve. During a pilot programme for weather-index insurance for rice farmers, he recalled meeting a 17-year-old villager who had never realised a claim was payable. Distribution through mobile apps and bank partnerships has since cut the cost of reaching rural customers, who previously spent more travelling to a provincial office than their annual premium was worth.

AXA Greater China CEO and EAIC President Sally Wan said that Hong Kong and mainland China were facing a similar ageing and inflation squeeze. Insurers were extending simplified underwriting to seniors and cancer survivors, broadening cover for autism and other special educational needs, and building out mental health support after a survey found one in seven Hong Kong workers reporting stress affecting their work.

To manage affordability, AXA is directing customers to lower-cost medical facilities across the border in the Greater Bay Area. Ms Wan pointed to incentives as a way to get customers to engage with prevention: free yoga classes, employer-run lunch-and-learn sessions, and premium discounts of up to 20% for policyholders who walk 10,000 steps a day.

Closing the session, Mr Chua summed up the industry's shared difficulty: prevention's payoff is a healthier, more productive population, but that outcome is hard to see and harder to price. "It's definitely an investment," he said, one he argued governments and corporate leaders need to keep pushing for.

L to R: Messrs Norichika Kanie, Chua Kim Soon, Shinichi Kishi, Channtharong Suy and Ms Sally Wan

Most disaster-prone areas in Asia

Bangkok set to host EAIC for fourth time in 2028

The 32nd East Asian Insurance Congress (EAIC) will be held in Bangkok in 2028, marking the fourth time the Thai capital has been chosen to host the event. Bangkok's selection continues a long-standing relationship with the Congress, which first brought the event to the city in 1966 as its third-ever host. The city went on to host the Congress twice more, in 1984 and in 2004.

Since its founding in Tokyo in 1962, the EAIC has rotated its biennial Congress across member cities, including Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Manila, Seoul, Singapore, Taipei and Tokyo. The rotating format is designed to let each host market showcase its own insurance practices and regulatory developments, while giving the industry a recurring venue for regional networking.

Dates for the 2028 edition have yet to be confirmed and will be announced at a later stage.

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