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## Where's the key?



**21** ! It's the coming-of-age where the keys are handed boldly to lead the insurance world as it should be led with tender loving care.

But TLC towards who? Policyholders who pay their money upfront for a future claim? Or the insurer who promises to be there alive, kicking and able to pay when the claim falls due. (In the general business where most markets only have heard of single-year contracts, this is not such a critical problem.) Or the shareholders of insurance companies?

It is not a coincidence that the 21st Annual Seminar has embraced the theme "Enhancing Policyholder Protection and Financial Stability through Governance and Risk Management", and has included topics like new approaches to governance of insurers, financial inclusion, supervisory cooperation in recovery and resolution, capital market and business models as insurance capital standards and BCR. There is so much happening on the regulatory front that some CEOs feel that regulators run their business while many moan that with all that time spent on regulatory compliance, they have precious little time to pay attention to running the business profitably. Time to step up the ante in the "fit and proper" test for CEOs to ensure versatility.

### Same issue, different day

It is still no wonder that given the very core of the insurance business being based on a future promise to pay, insurance is one of the most closely supervised and regulated industries in the world. And every year when insurance CEOs are asked to rank the number one risk facing the business, despite cyber threats, terrorism, global warming,

increasing Nat CATs with greater frequency and severity of claims, social media, ageing population with people outliving their savings, and changing consumer patterns, regulations score top position each time, even this year.

Why so? Why should regulations intended to reduce risks at a time when operating and underwriting conditions are tough, be seen as enhancing the riskiness of the risk business? Is there fear, ignorance, a mis-

match in expectations, miscommunication or fear of regulatory changes and "regulatory uncertainty", or just plain failure by parties in the same line to see eye-to-eye?

It is time for someone to stand up and speak up for regulations and assure industry players that regulations cannot be seen as a risk or threat facing their business, leave alone the Number One threat if they are doing business the way it should be run. But for regulations to be effective, it must be implemented and effected uniformly across the board. PR and the right message are very important as in this world, perceptions (even when wrong) seem to run amok.

### Turning international

Though insurance tends to be domestic, the business is international and the A to Z of the insurance industry from ACE, AIG, AIA, Allianz, Aviva and AXA to Manulife and all the way to Zurich are global players. They might worry over regulatory arbitrage and regulatory uncertainties in different markets and the creeping "extra-territorial" impact of some regulators, but they are taking positive steps to get involved in engaging college of supervisors.

*(continued on page 2)*

## "Welkom" to Amsterdam!

**O**n behalf of De Nederlandsche Bank (DNB), I would like to welcome you to the 21<sup>st</sup> Annual Conference of the International Association of Insurance Supervisors (IAIS). We are very honoured to have the opportunity to host this internationally recognised insurance event in this special year, in which DNB celebrates its bicentenary.

DNB is not the only one with a cause for celebration. We would like to congratulate the IAIS for its 20th anniversary. Since its foundation in 1994 the IAIS has realised great achievements as a standards setting organisation for global insurance supervision. We would like to take this opportunity to thank Mr Braumüller, the parting Chairman, and Mr Kawai, the Secretary General of the IAIS, and all IAIS staff, committees and subcommittees for their efforts and contributions to achieving the IAIS goals.



In line with the IAIS tradition, we have prepared a well-balanced programme for the conference, which will bring together perspectives on the past, present and future of the insurance industry. We are sure that you will gather new insights and that you will have ample opportunity to talk to old acquaintances and meet new people.

We thank you for your participation and wish to extend our appreciation to our special guests, moderators, speakers, and our sponsors for their support.

I wish you all an excellent conference.

– Ms Joanne Kellermann  
Executive Director,  
De Nederlandsche Bank (DNB), The Netherlands



On the good news front, there is available capital to sustain the industry. In fact, in non-life and reinsurance, the excess capital is already putting pressures on rates.

We end with a tribute to the greater convergence within the EU on Solvency II and the US FIO Report on "How to modernise the system of insurance regulation in the US" which fell short of recommending a Federal Regulator though recognising that lack of uniformity creates inefficiency, and is a burden to insurers, consumers and the international community. In particular, with all the fatigue with rate competition woes, we were drawn to the recommendation calling for identification of rate regulation practices that foster competitive markets for personal lines and standards for appropriate use of data in pricing these products.

It's the 21st Conference. See it as a coming-of-age for regulators and supervisors to stand up for their rightful place in the insurance annals and not as a "risk" factor in the business.



# Congratulations

to  **IAIS**  
INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

on its



*In honour of this anniversary milestone, we bring you nuggets of well wishes from the industry, saluting IAIS' dedication to its work.*



Over the past 20 years, the IAIS has done a remarkable job helping to shape the regulatory framework for insurers around the world. The IAIS helps to create effective and consequential supervision of the global insurance sector, ensuring stability and structure for the industry. From everyone at AIG, congratulations on reaching this milestone.

**Mr Jose Hernandez**  
President & CEO, AIG Asia Pacific



On behalf of Allianz SE, I hereby would like to express my sincere congratulations to 20 years of successful establishment of the International Association of Insurance Supervisors. Allianz highly appreciates your excellent contributions and efforts over the past two decades to develop a stable and secure insurance environment all over the world which is ultimately for the benefit and protection of all insurance customers.

**Mr Manuel Bauer**  
Member of the Board of Management, Allianz SE



It is my honour, on behalf of the Singapore general insurance market and the General Insurance Association of Singapore, to congratulate the IAIS on its 20th founding anniversary. Since its founding in 1994, the IAIS has helped foster the development of the global insurance industry by promoting effective and internationally consistent supervision of insurance markets around the world. Its contribution to global financial stability has been invaluable, as we had seen in the wake of the 2008 global financial crisis.

We wish the continued success of the IAIS in its efforts to help develop and maintain fair, safe, and stable insurance markets for the protection of policyholders. Congratulations!

**Mr A K Cher**  
President, General Insurance Association of Singapore



On behalf of the Hong Kong Federation of Insurers, I extend our heartiest congratulations on the 20th Anniversary of the IAIS.

Since it was founded in 1994, IAIS has been tirelessly promoting effective and globally consistent supervision of the insurance industry to help develop and maintain fair, safe and stable insurance markets. Its steadfast pursuit of global financial stability benefits policyholders as well as the insurance industry

as a whole.

Congratulations again and best wishes for many more years of resounding success.

**Mr Jimmy Poon**  
Chairman, Hong Kong Federation of Insurers (HKFI)



I have had the pleasure to work with and support the IAIS in developing and aligning regulation that works for the insurance industry and consumers alike. The developments over the last twenty years are testament to the dedication of the secretariat. Long may our work together continue.

**Mr Sergio Balbinot**  
President, **Insurance Europe**



On behalf of Korean Re, I would like to extend my heartfelt congratulations on the 21st Annual Conference of the IAIS as well as on its 20th anniversary. Over the past two decades, the IAIS has been steadfastly committed to ensuring the supervision of the insurance industry is as effective and globally consistent as possible. Its various standard-setting initiatives for the insurance industry have significantly contributed to global financial market stability. I look forward to the IAIS continuing to build on its achievements in promoting the soundness and resilience of the global insurance community.

**Mr Jong-Gyu Won**  
President & CEO, **Korean Re**



I would like to express my deepest respect and gratitude to the IAIS for its tremendous achievements during the last two decades. I hope that the IAIS will continue to promote effective and globally harmonised supervision of the insurance industry for the next 20 years and beyond, considering the diversity of the insurance industry among its jurisdictions.

**Mr Koichiro Watanabe**  
Chairman, **Life Insurance Association of Japan**



As an observer-member, on behalf of members of Life Insurance Association Singapore, I congratulate the IAIS on its 20th anniversary. Today, IAIS represents insurance regulators in nearly 140 countries, constituting 97% of global premiums. It also has over 130 observers. Such tremendous growth testifies to the success of the Association.

**Dr Khoo Kah-Siang**  
President, **Life Insurance Association of Singapore**



I would like to congratulate the IAIS for their efforts over the last 20 years in helping to promote consistency across international insurance supervisors. We welcome appropriate and efficient regulation, and will continue to support the IAIS in their endeavours to achieve this.

**Ms Inga Beale**  
CEO, **Lloyd's**



The National Insurance Brokers Association of Australia congratulates IAIS on 20 years of excellent work. The Insurance Core Principles are a comprehensive set of regulatory guides, and provide a very useful background for the regulation of risk insurance. We wish IAIS well in their future work.

**Mr Dallas Booth**  
CEO, **National Insurance Brokers Association of Australia (NIBA)**



On behalf of Prudential Corporation Asia, congratulations to the IAIS on their 20th anniversary. As a truly global organisation serving the insurance industry, the IAIS plays a valuable role in furthering regulatory standards in the industry and making their application more consistent across Asia, and the world. This is beneficial not only to insurance companies like ours, but all policyholders and society at large.

**Mr Barry Stowe**  
Chief Executive, **Prudential Corporation Asia**



I would like to extend my congratulations to IAIS on its 20th anniversary. Over the years, the IAIS has played a vital role in fostering stability in the insurance industry through the promotion of governance and risk management. I am sure IAIS will continue to build a robust, consistent and comprehensive regulatory regime for the insurance sector in the future.

**Mr David Fried**  
CEO, Emerging Markets, **QBE Insurance Group**



I would like to congratulate the IAIS for its 20th birthday. A lot has been accomplished over the years and major projects are underway with significant implications for our sector. Swiss Re remains committed to support the IAIS and its members in their efforts to harmonise insurance regulation and strengthen the risk capacity of our industry.

**Mr Michel Liès**  
CEO, **Swiss Re Group**



On behalf of Toa Re, I congratulate IAIS on its 20th anniversary. IAIS has played a significant role in advancing the supervision of the insurance and reinsurance industries around the world, and I would like to express my sincerest expectation that IAIS will develop and contribute further to the reform of global insurance and reinsurance supervision.

**Mr Tomoatsu Noguchi**  
President & Chief Executive, **Toa Re**



# Looking towards the coming decades

On behalf of the Secretariat it is my great pleasure to welcome you to Amsterdam for the IAIS' 21st Annual Conference. We are very grateful for the generous support provided by De Nederlandsche Bank in hosting this key IAIS event and are looking forward to the events of the next few days.

2014 marks the 20th Anniversary of the founding of the IAIS. Over this time, our Association has grown from one focused on supervisory cooperation and information exchange to the global insurance standard setter and a leader in matters

of global financial stability. This growth is demonstrated by the importance of the topics we will discuss during this Conference.

We will set the stage by first looking forward to the challenges our Members may face over the next 20 years with a discussion of what society and our economic system might look like in the future and what emerging risks our industry may face. We will then discuss two of the international capital standards the IAIS has been developing over the last year – the Basic Capital Requirements and the first-ever risk-based global Insurance Capital Standard. These topics will be followed with panels on financial inclusion, recovery and resolution planning, the challenges of the low interest rate environment and new approaches to corporate governance.

Thank you for participating in our 21st Annual Conference, and I look forward to a productive time together in Amsterdam.

**Mr Yoshihiro Kawai**  
Secretary General, IAIS

## Mark Your Diary!



### 8th India Rendezvous

Theme: "The Dynamics of Regional Reinsurance – A SAARC Perspective"

21-23 January 2015, Mumbai, India



### Asia CEO Summit

Theme: "Disruptions, Innovation & New Horizons – Reinventing the Business"

9-11 February 2015, Singapore



### 3rd Asia Insurance Brokers' Summit 2015

Theme: "Optimising the Role of Brokers in the Insurance Value Chain"

3-4 March 2015, Kuala Lumpur, Malaysia

[www.asiainsurancereview.com/Conferences](http://www.asiainsurancereview.com/Conferences)

## A delightful Dutch welcome

It's been a year since their last gathering, yet it seemed like only yesterday when delegates had parted ways. As they gathered in Amsterdam for the welcome reception of the IAIS' annual conference, delegates were greeted gaily with traditional Dutch melodies, local delights and adorable souvenirs.



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