



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

# IAIS work on Actuarial services in inclusive insurance

**Peter van den Broeke**

IAIS Secretariat

November 2016



# Objective for the work

---

In cooperation between the IAA and IAIS identify and develop approaches to establish or enforce actuarial expertise in inclusive insurance markets based on an understanding of a proportionate application of prudential requirements in inclusive insurance markets

# Deliverables

---

- a. IAIS - Development of an IAIS Application Paper on Proportionate Prudential Requirements in Inclusive Insurance Markets” (to be supported by IAA),
  
- b. IAA - Development of an IAA paper “Approaches to Actuarial Services in Inclusive Insurance Markets” (to be supported by IAIS)

# Insurance Core Principles and Proportionality

---

- ICPs are outcomes based

- Proportionality:

Supervisory measures should be appropriate to attain the supervisory objectives and not go beyond what is necessary to achieve those objectives

Tailor supervisory requirements and actions so that they are commensurate with the nature, scale and complexity of risks

- Proportionate approach should assist in promoting financial inclusion and market development objectives → preventing unnecessary barriers to access to insurance

# Example

---

ICP 17 Capital Adequacy: The supervisor establishes capital adequacy requirements for solvency purposes so that insurers can absorb significant unforeseen losses and to provide for degrees of supervisory intervention.

Outcome: solvency requirements that allow absorbance of unforeseen losses...

Proportionality: consider nature, scale and complexity;

- Type of products, underwriting policies, pricing
- Reinsurance treaties and policy
- ALM, investment policies, quality of assets
- Economic environment, capital markets
- ...

---

# Thank you for your attention

Contact details:

Peter van den Broeke  
IAIS Secretariat

Telephone: + 41 61 280 8747

Email: [peter.vandenbroeke@bis.org](mailto:peter.vandenbroeke@bis.org)

c/o Bank for International Settlements  
Centralbahnplatz 2  
CH-4002 Basel  
Switzerland  
Website: [www.iaisweb.org](http://www.iaisweb.org)