



Policy Seminar on Access to Insurance, Brazil, Rio de Janeiro, 8 Nov 2011

Press release/highlights summary

In the 3rd **Policy Seminar on Access to Insurance**, supervisors from 26 countries and representatives of other public and private agencies deliberated the challenges of and opportunities for microinsurance policy, regulation and supervision. The seminar, organised jointly by the International Association of Insurance Supervisors (IAIS), the Access to Insurance Initiative (Initiative) and the Microinsurance Network (MIN), was held back to back with the 7th Annual International Microinsurance Conference in Rio from 8th to 10th November. The conference was hosted by Munich Re Foundation and MIN.

The seminar was opened by Luciano Portal Santanna, the Superintendent of Private Insurance in Brazil, who announced that Brazil will soon release a microinsurance resolution that will lay the groundwork for detailed regulations. He emphasised the role that access to insurance plays in financial inclusion and poverty alleviation.

Mala Nag from the IAIS, the international standard setting body, presented the revised IAIS Insurance Core Principles and explained the need to regulate and supervise insurance business in a way that is proportionate to the “risks” posed by the individual insurers. She elaborated that the concept of proportionality reflects the nature, scale and complexity of the risks and that lack of resources should not be a justifying reason for proportionality. She also informed participants that the IAIS-MIN Joint Working Group is developing a *Guidance on Regulation and Supervision Supporting Inclusive Insurance Markets*.

Martina Wiedmaier-Pfister, Advisory Committee member of the Initiative, reiterated that the key objective of the Initiative, set up in 2009, is to support the development of sound insurance markets through implementation of international insurance standards in a proportionate manner. The country diagnostic research carried out by the Initiative contributes to a rich knowledge base on how jurisdictions approach microinsurance policy, regulation and supervision. Accordingly, an increasing number of jurisdictions have been embarking on a combination of a financial inclusion strategy, financial literacy, consumer protection work and regulatory reform.

In terms of designing enabling regulatory frameworks, a proper understanding of the concept of proportionality and its application is key. This was the topic of the first panel at the seminar. The challenge, as expressed by Arup Chatterjee of the Asian Development Bank, is “how to implement proportionality in practice”. The panelists were G. Prabhakara from India, Jacky Huma from South Africa and Sergio Franklin from Brazil. There was a consensus that, although each country is unique, all are faced with the challenge of balancing the objective of access to insurance with ensuring the soundness of insurance organisations in order to protect consumers. The three panelists highlighted that the most critical aspects of an enabling microinsurance regulatory framework are the soundness of insurance institutions, encouraging competition and efficiency, and facilitating distribution.

The second panel comprising Nyamikeh Kyiamah from Ghana, Manuel Lobato Osorio from Mexico and Joselito Almario from Philippines discussed the lessons gained by supervisors and policymakers in their reform processes. They explained their respective approaches and the processes followed in developing microinsurance regulations. In all three countries, policymakers and supervisors analyzed their market before developing their regulatory approach. The Ghanaian regulator emphasized the need to respond to innovation and the need to adjust the regulatory framework in response to market dynamics.

Discussants from Mongolia, Peru, Kenya and Nigeria confirmed the need to understand the approach of other countries in a participatory final session facilitated by Brigitte Klein (BMZ-GIZ and Member of the Board of the Initiative).

In his closing remarks, Henry Yan, Executive Director of the Initiative, summarised the “ABC” of the proceedings - “A” stands for the Access to Insurance Initiative as a learning and knowledge platform; “B” for being proactive as supervisors, and “C” for consumer protection. Finally, under “S”, he reiterated the commitment of the Initiative to help building strong supervisors with sound supervisory systems.

The Initiative is a global partnership between the IAIS and various development organisations (BMZ, CGAP, Finmark Trust, ILO and UNCDF). It seeks to strengthen the capacity of policymakers and supervisors to advance insurance market access for low-income clients. Funding comes from supervisors and agencies such as ADB, IADB, FIRST Initiative and Making Finance Work for Africa. For further information on the Initiative please visit www.access-to-insurance.org