

2014 - 2015

Activities from October 2014 to September 2015



# Access to Insurance Initiative (A2ii) Annual Report

Promoting inclusive and responsible insurance and reducing vulnerability



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Eschborn, Oct. 2015

## Chairman's message



In October 2013 at its Annual Meeting the IAIS approved the Coordinated Implementation Framework. The framework was an important strategic reorientation of the IAIS that reinforced the IAIS's commitment to implementation, strengthened the alignment of the IAIS's implementation and standard setting activities, enhanced the IAIS's relationships with its key implementation partners such as the A2ii and set the foundations for a robust programme of regional engagement. Over the past two years, the A2ii has played an important role in bringing this framework to life. Not only has it resulted in learning being brought to the regions but importantly it has also resulted in learnings from the regions being taken back and incorporated into the IAIS's standard setting activities.

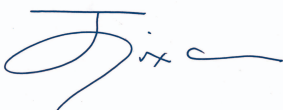
In both my capacity as chairman of the A2ii and IAIS regional coordinator for Sub-Saharan Africa I am excited by the progress being made on regional implementation. Over the past year, the A2ii has worked with supervisors on developing regional implementation plans, a key priority of the IAIS. Taking the Sub-Saharan Africa region as an example, while work continues to finalise the regional implementation plan, activities are already underway to organise a financial consumer education seminar next year, a topic identified by this year's work to be of mutual interest to the majority of supervisors in the region. The signing of a Memorandum of Understanding (MOU) with Asociación de Supervisores de Seguros de América Latina (ASSAL) in Latin America also serves as a key landmark in our efforts to build regional momentum.

In addition, the regional supervisory meetings underpinning this work provide a valuable platform to meet and exchange experiences among peers. The energy and enthusiasm generated through these engagements is inspiring to be part of and is something we will be looking to translate into structured regional implementation plans with targeted activities and events to address regional capacity building needs in 2016 and beyond. It is also hoped that the bottom-up approach used in Sub-Sahara Africa, working directly with supervisors and regional associations, might serve as a model to guide our regional implementation approach in other regions.

A positive development has also been the increased recognition by national governments of insurance as an important tool for economic growth and stability with access to insurance more frequently included, along with access to banking, in national financial inclusion frameworks. In this regard, the A2ii welcomed the leadership displayed by the German G7 Presidency with its pledge to "provide up to an additional 400 million poor people with insurance against the risks of climate change by 2020". Fundamental to the achievement of this objective is the establishment of an enabling regulatory environment, which can encourage and support the development of innovative products.

In order to more closely connect the work of the A2ii with the wider policy-making environment the A2ii became an affiliated member of the Global Partnership for Financial Inclusion (GPFI) in 2015 and joined its subgroup on regulation and standard setting bodies. This should provide A2ii with a platform to raise awareness with policymakers of the need for insurance to be included in national financial inclusion strategies. In 2016 we want to strengthen our efforts in this regard. We welcome early indications that the Chinese G20 presidency will continue to focus on financial inclusion picking up on the strong leadership on this topic shown by the Turkish G20 presidency.

Until next time,

A handwritten signature in blue ink, appearing to read 'Jonathan Dixon', written in a cursive style.

Jonathan Dixon

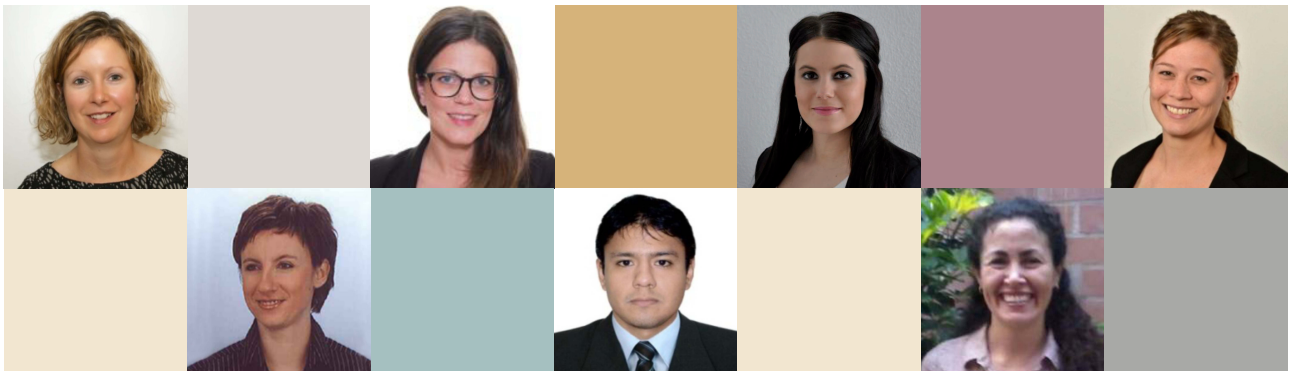
Deputy executive officer, Insurance at Financial Services Board South Africa; chair of the Governing Council of the Access to Insurance Initiative; chair of the IAIS Implementation Committee; and IAIS regional coordinator for the Sub-Saharan Africa Region

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## Secretariat's message



The last year has seen the A2ii work increasingly closely with the IAIS to support the realisation of its implementation objectives as endorsed in its 2014-2019 Strategic Plan and Financial Outlook. This is not only reflected in the regional focus being taken to the A2ii's capacity building efforts but for the first time the A2ii's 2015 workplan was developed in close consultation with IAIS Members. It has also seen the A2ii take the lead on some of the IAIS's key implementation initiatives such as the development of proportionality in practice case studies, a new kind of implementation guidance for supervisors based on real life best practice examples.

This closer working relationship was supported by the A2ii establishing an IAIS liaison office in Basel in October 2014, which now sits within the IAIS secretariat's offices.

The A2ii has also continued to strive to make its work more accessible to a wider number of supervisors. This has resulted in an increasing number of our publications and tools being made available in French and Spanish as well as our consultation calls. With respect to our consultation calls, we are delighted by the valuable platform this has become for supervisors to hear from an expert and exchange experiences with their peers without needing to travel to an event. Throughout the year we have seen a steady increase in participation - our most recent call held in September 2015 attracted 87 representatives from 42 different countries in contrast to our first call in March 2014 which was attended by just 40 participants from 15 jurisdictions.

This year has also seen significant changes in the A2ii Secretariat team.

We were sad to see the departure of our executive director Marike Brady, as well as Onur Azcan, advisor, responsible for Sub Sahara Africa and training partners and Ulrich Hess, senior advisor, responsible for our capacity building efforts in Asia. We would like to express our thanks for their great work. We were pleased to see the team strengthened with some new additions, namely Hannah Grant joining us as IAIS liaison officer and Janina Voss, advisor, responsible for our capacity building work in Asia.

We look forward to another busy year in 2016 working with the IAIS and our partners to support supervisory capacity building in the regions and facilitate supervisory dialogue and peer learning.

## About us



The Access to Insurance Initiative (A2ii) is a unique global partnership with the mission to inspire and support supervisors to promote inclusive and responsible insurance, thereby reducing vulnerability.

The A2ii was established in response to demand for lessons and guidance on enhancing access to insurance from insurance policymakers, regulators and supervisors. A2ii's close relationship with insurance supervisors and partners worldwide enables us to better identify areas where the need for insurance protection is not

being adequately met. We can then investigate the reasons why and work to address these challenges.

As the implementation partner of the global standard setting body for insurance supervision, the International Association of Insurance Supervisors (IAIS), on access to insurance, the A2ii's goal is to strengthen the capacity of policymakers, regulators, and supervisors seeking to advance inclusive insurance markets, particularly for low-income clients, by promoting sound, effective and proportionate regulation and super-

vision of insurance markets based on the IAIS standards.

The core fields covered by the A2ii are knowledge generation and dissemination, dialogue and learning, inputs for the development of IAIS standards and guidance, support for country implementation processes in the area of regulatory and supervisory reform, and capacity development of insurance supervisors. The Secretariat is hosted by the German International Cooperation (GIZ) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

“ We strongly believe in the peer to peer formula. Insurance is a complex product but I believe that A2ii will be able to help facilitate supervisors to open up this market.

*Aaltje de Roos, Department For Sustainable Economic Development  
at the Netherlands Ministry of Foreign Affairs* ”

## Why do we need better access to insurance?

In many parts of the world, people and businesses live and operate without the security of insurance. Without insurance, the world's most vulnerable people lack the safety net to break out of the poverty cycle and businesses may be unable to overcome unexpected difficulties. Should a problem strike, even those who are in a secure position may find themselves dragged into difficult circumstances and set back in their attempts to progress. Better access to insurance can play an important role in mitigating these risks. Insurance protects against unexpected losses and reduces the likelihood of food and economic crises. In many parts of the world there is no such protection for people and businesses.

In areas such as agriculture, innovative insurance products can provide solutions to deal with the impact of climate change and catastrophic events. Or at the country level, insurance can provide a source of post-disaster liquidity for governments, thereby providing a more reliable means of funding relief and reconstruction than reliance on emergency aid. The need for insurance is particularly acute in developing and emerging economies whose citizens are more vulnerable and in need of support.

## Why does insurance regulation matter?

A robust regulatory and supervisory framework creates incentives to encourage the industry's involvement and plays a vital role in policyholder protection and building consumer confidence.

Supervisors are important in encouraging private and public stakeholders to enhance access to insurance if they are able to apply regulation in a proportionate manner with due consideration to the nature, scale and complexity of insurers and their markets. Yet too often, regulators and supervisors face challenges trying to establish an effective insurance

supervisory framework, which enhances access for all; insurance providers may not see a compelling business opportunity to offer products to the low-income population; and there is a lack of understanding of the benefits of insurance to individuals and companies.

This is where the A2ii comes in. The A2ii works with policymakers, regulators, and supervisors to support the development of enabling policy and regulatory frameworks based on globally accepted insurance standards. With better regulation and supervision insurance markets can become more accessible and inclusive, especially for low-income households.



# The regulatory landscape

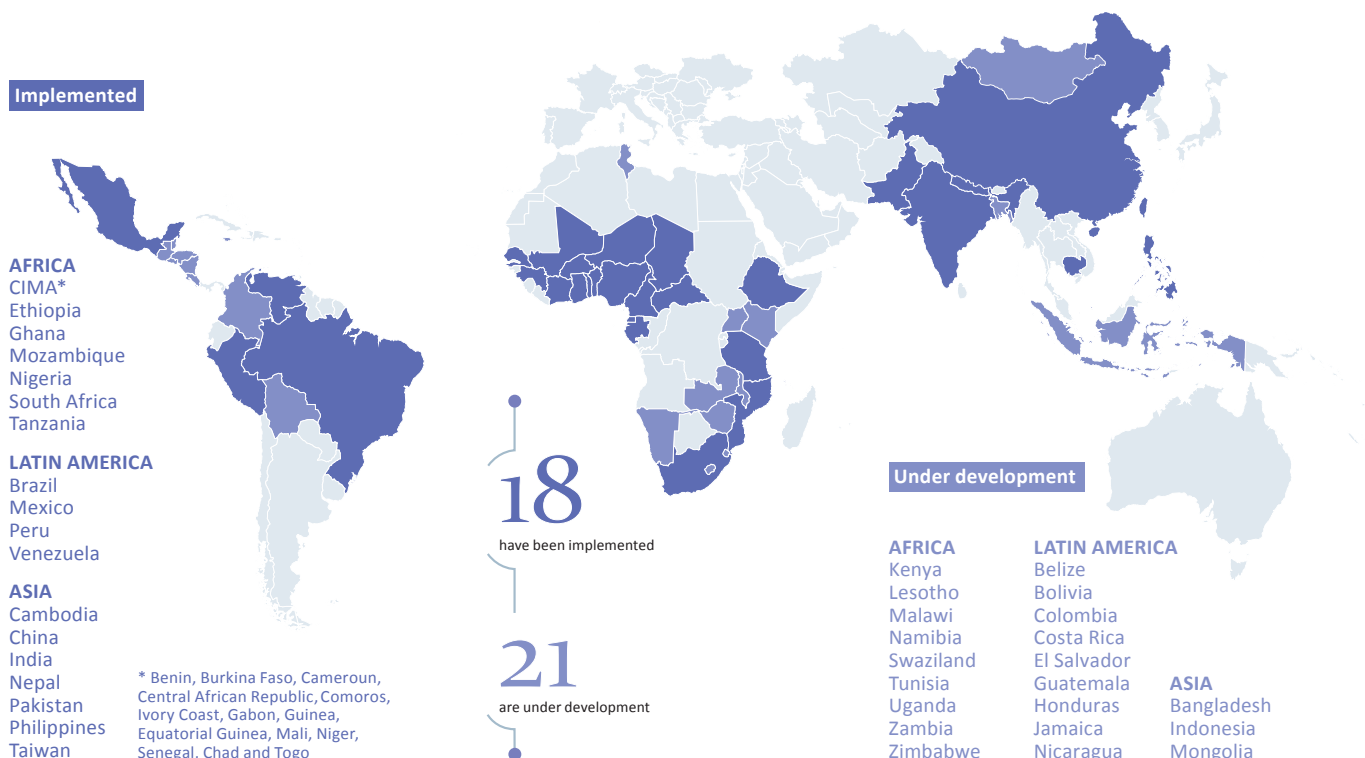
According to the most recent regional landscape studies published by the [Microinsurance Centre](#), there is a combined US\$2.2bn in gross-written premiums (GWP) for microinsurance products. In Latin America and the Caribbean, microinsurance is growing significantly faster than the traditional insurance market. The opportunity for growth is also great in Africa and Asia, where coverage rates are a low 4.4% and 4.3% of the total populations, respectively.

Worldwide, at least 18 jurisdictions have already adopted a microinsurance specific regulatory framework (although some are yet to be implemented) and at least 21 countries have proposed some form of microinsurance-specific regulation.

Supervisors and regulators work in an increasingly challenging environment. Over the last few years, changes in business models have sparked changes in the nature, scale and complexity of inclusive insurance markets. The increased involvement of non-traditional mass distribution channels (such as distribution via mobile phones or retailers), along with the advent of digital finance, have introduced new types of entities to the insurance value chain, changed the mode of interaction between an insurer and its customer and facilitated the development of innovative products. In a number of areas traditional regulatory constructs and assumptions no longer apply or do not apply in the same way. For example, it can no longer be assumed that a licensed insurer is the strongest party in the value chain. Increasingly, mass

distribution channels such as mobile network operators in Africa or retailers in Latin America have a much more powerful role. This creates considerable new consumer protection challenges for supervisors. This has resulted in a need for a paradigm shift for insurance supervisors seeking to create an enabling environment for inclusive insurance in their jurisdiction.

Inclusive insurance markets develop best if policy makers commit to financial inclusion and enable existing and new market makers to innovate with appropriate policy measures followed by proper supervision to protect consumers. The A2ii has provided knowledge on these new business models to supervisors e.g. via its consultation calls and presentations at several events.



At least 18 jurisdictions have already adopted a microinsurance-specific regulatory framework. In addition, at least 21 jurisdictions have proposed some form of microinsurance-specific regulation.



# Our achievements 2014 -15

## Regional implementation

In 2014/2015 the IAIS with the support of the A2ii started to put into practice the regional implementation plans as envisaged in the IAIS's Coordinated Implementation Framework.

First steps in regional implementation have been undertaken in the Sub-Saharan Africa region. Using a bottom-up approach, working through the IAIS regional structures, it was agreed with representatives from the sub-regional associations (East African Insurance Supervisors' Association (EAISA), Committee of Insurance, Securities and Non-banking Financial Authorities (CISNA) and the Conférence Inter-africaine des Marchés d' Assurances (CIMA))

as well as national supervisors that there was benefit to bringing the regional forums together to address common challenges associated with observance of the Insurance Core Principles (ICPs) and to support regional capacity building needs. As a result, work started on a plan for the whole Sub-Saharan African region, based on a bottom-up, demand-driven approach combined with an analysis of supervisors compliance with the ICPs.

“ I think the future very much remains in the DNA of A2ii right now. They are listening and reacting to the needs of supervisors.

*Veronique Faber,  
Microinsurance Network* ”

In Asia, the focus over the last year has been on building relationships and partnerships to support collaborative supervisory capacity building efforts in the region in 2016.

The regional implementation process has also kicked off in Latin America with the IAIS, A2ii and AS-SAL signing a MOU during the AS-

“ Now we see the momentum as we move from knowledge generation to implementation and impact.

*Brigitte Klein, GIZ* ”

SAL Annual Conference in San José, Costa Rica in April 2015. The MOU identified high-level objectives and principles of cooperation and details some specific ways that the three organisations can work collaboratively. This included a commitment to share work plans and identify activities of common interest that could be conducted jointly. The signing of this MOU provides a clear indication of the commitment of all three organisations to work together to support supervisors in the region.

## Regional Implementation Plans

In line with IAIS's strategy of making meaningful progress in implementation, the A2ii has been supporting IAIS Members in identifying their development needs. These individual needs will then inform the development of **Regional Implementation Plans** based on areas where multiple countries share the same capacity building need. In some regions, due to the heterogeneity of needs, there may be multiple Regional Implementation Plans that correspond to different sub-regions. Once the plans are in place, the IAIS and its implementation partners will then identify ways to support their execution.

## Our achievements 2014 -15

### Project to Implement Regulatory and Supervisory Standards for Microinsurance Markets in Latin America and the Caribbean

It has been another busy 12 months for this joint Inter-American Development Bank (IADB) A2ii project focused on Peru, Colombia and Jamaica and aimed at increasing the availability of sustainable insurance products tailored to the needs of the low-income population in the region. This it seeks to achieve through the development of a policy and regulatory environment which enhances inclusive insurance markets in the region.

In partnership with the supervisory authorities from Colombia, Peru and Jamaica regulatory road maps were developed and formally approved by the respective authorities in 2015. These road maps detail specific activities to be implemented as part of the project and are based largely on information generated by the country diagnostics conducted as part of the project and published at the end of 2014.

Implementation of the regulatory road map commenced in Peru in early in 2015 in the form of a training course for Superintendencia de Banca, Seguros y AFP (SBS) staff on basic insurance and microinsurance concepts. Later in the year the SBS published its new draft microinsurance regulation which, supported by the project and in close dialogue with the industry, is being reviewed. The microinsurance market in Peru is constantly growing and innovating. The supervisory authority has played a central role in this through promoting access to insurance among the unserved and underserved population.

The regulatory road maps for Jamaica and Colombia were approved in Q2 2015 and implementation of activities will shortly be commencing.

As part of the knowledge sharing and dissemination activities in the region supported by the project, a financial inclusion training took place in June in Lima. The training was based on the IAIS's application paper on financial inclusion, and was organised in partnership with Toronto Centre, ASSAL and SBS. It was attended by 30 insurance supervisors from 10 different Latin American countries.

The A2ii has also on a number of occasions, through its participation in conferences and other events, shared with other countries in the region the knowledge and experience it gained from its participation in the project.

With the project scheduled to finish in mid-2016 the next few months look set to be extremely busy.

“ Colombia has a lot of the population who are vulnerable. And we have a growing middle class. After we started working with A2ii, we have been able to develop a roadmap that I think will take us in the future to being able to offer insurance products to those segments of the population that need it the most.

*Natalia Escobar Mejia, Superintendencia Financiera de Colombia* ”



## IAIS Supervisory Material

As the IAIS's key implementation partner on access to insurance the A2ii also actively participated in the work of the IAIS Implementation Committee and its relevant working groups – namely the IAIS Financial Inclusion Working Group and the Supervisory Development Working Group. Through our participation

we have sought to ensure that lessons learnt through working with supervisors on the ground have been fed back into the IAIS's standard-setting activities.

This has led to the A2ii contributing to the development of supervisory material on the following topics:

“ A2ii is IAIS's essential partner. One of the key work streams is the implementation of standards. A2ii is working very closely with us on this subject.

*Yoshihiro Kawai,*  
*Secretary General IAIS* ”

### Issues paper on the Conduct of Business in Inclusive Insurance

The paper provides an overview of the issues that affect the extent to which customers are treated fairly, both before a contract is entered into and through to the point at which all obligations under a contract have been satisfied. It is scheduled for final adoption in Q4 2015.

### Issues paper on Takaful Microinsurance

The objective of the paper is to provide an overview of the issues in respect of microtakaful and its role in enhancing financial inclusion. It is scheduled for final adoption in Q4 2015.

### Application paper on Mutual, Cooperatives and Community-Based Organisations (MCCOs)

This paper is aimed at providing application guidance to supervisors on how the IAIS's ICPs can be implemented in a proportionate manner to support the involvement of MCCOs in providing inclusive insurance. This paper is scheduled for adoption in Q4 2016.

### Index-based insurance

Work on this topic commenced in Q4 2015 with the aim of identifying and gaining a better understanding of the supervisory issues associated with index based insurance. This will be used to inform the development of supervisory guidance material on the topic over the course of 2016 and 2017.

In addition the A2ii was pleased to be selected to be a member of the IAIS's ICP Review taskforce. Participation in this group gives the A2ii the opportunity to provide input, based on our experience in implementation, into the important standard setting activities of this group.

Also, with the aim of supporting

supervisors in implementing the ICPs in a proportionate manner the A2ii has commenced work on developing two case studies on proportionality in practice. These case studies will be based on best practice examples of how supervisors can and have implemented the IAIS's ICPs in a proportionate manner in their jurisdiction. They will provide supervisors with the op-

portunity to learn from the experiences of their peers. These case studies will be finalised early in 2016 with an additional case study developed later in the year.

We also have an on-going feature in the IAIS's monthly newsletter to keep IAIS Members informed of our activities.

# Our achievements 2014 -15

## Consultation Calls



Our bi-monthly consultation calls offer an exchange platform for insurance supervisors to discuss current regulatory and supervisory topics and trends around access to insurance. The calls allow supervisors from around the world to come together frequently without the need to travel to conferences. The calls start with an expert's input on the key topic of the month, which is then followed by supervisors presenting pre-prepared case studies based on their experiences. The calls then open for discussion enabling participants to exchange their experiences and get guidance by experts. Participation in these calls is restricted to supervisors and regulators to offer a peer-learning platform.

From March 2015 onwards these calls were held in French and Spanish as well as in English. This has helped the A2ii reach out to a much larger group of supervisors and as a result significantly increased the number of jurisdictions participating in the calls. We have also sought to ensure that the [consultation call notes](#) prepared following the calls are made available in French and Spanish. The consultation calls have been a great success, recording 339 registrations in six calls from 72 different countries.

Over the last 12 months the topics requested by supervisors included:

### **Nov 2014: IAIS and A2ii activities: opportunity to tell us what you need!**

The call was aimed at finding out whether the IAIS and the A2ii's respective roadmaps on inclusive insurance resonated with supervisors. The discussion reaffirmed the value of the topics identified by the IAIS Financial Inclusion Working Group and the A2ii.

### **Jan 2015: Formalisation**

Participants discussed the considerable challenges associated with the formalisation of informal insurance providers. Key steps that can be taken to try and increase the number of formal providers are: obtain a clear picture of existing informal activities, identify possible and preferred outcomes of the formalisation process and finally take active steps to achieve acceptable outcomes (implementation).

### **March 2015: Mutuals, Cooperatives and other Community based Organisations (MCCOs) in inclusive insurance**

This call was organised to provide input for an IAIS drafting group developing an Application Paper on MCCO regulation and supervision in inclusive insurance. Participants discussed the MCCOs potential for promoting inclusive insurance as well as the challenges of supervising and regulating them.

### **May 2015: Actuarial approaches to inclusive insurance**

As an exception to the supervisor only rule, members of the International Actuarial Association (IAA) were also invited to join the call. During the call questions such as what actuarial approaches would minimise costs for inclusive insurance policies or if regulation should allow for an "actuary light" approach were discussed. The learnings from the call will also help inform a joint IAIS-IAA drafting group which will be developing supervisory guidance material on actuarial approaches to inclusive insurance in 2016.

### **July 2015: Risk-based supervision in inclusive insurance**

Participants on the call shared experiences and challenges in adopting a risk-based approach in their jurisdiction.

### **Sept 2015: Financial consumer education**

Participants discussed the role of insurance supervisory authorities in developing and implementing effective national financial literacy and consumer education strategies. Special attention was paid to the relationship between supervisory authorities and other stakeholders including policy-makers and the industry in consumer education. A representative from the Organisation for Economic Development and Cooperation (OECD) also informed participants of the guidance they have produced on financial consumer education.

## Events

Our events enable us to provide a platform for supervisory peer exchange and knowledge dissemination. This year's events have been held in many different regions and have covered a wide range of topics. Key to the success of our events has been our close collaboration and co-operation with our partners including the Microinsurance Network (MIN), Consultative Group to Assist the Poor (CGAP), Toronto Centre, International Labour Organisation (ILO) and the African Insurance Organisation (AIO).

Over the last 12 months we organised two Consultative Forums, two Training Seminars on Inclusive Insurance and an Experts Symposium. In addition, a list of the events we have presented at is included in a table in the appendix.

## Consultative Forums

In 2014/2015 the A2ii and IAIS once again joined hands with the MIN and other partners to organise two Consultative Forums providing a platform for discussions and exchange of information between regulators and the insurance industry on inclusive insurance issues:

### [3rd IAIS, MIN and A2ii Consultative Forum on “Mass and Micro: Consumer protection in inclusive insurance markets”](#)

11 November 2014, Mexico City

More than 90 representatives of the industry, insurance supervisors and other public authorities met in Mexico to discuss differences and commonalities between mass and micro insurance in terms of the channels used, the products offered and the clients served. This clarification allowed participants to answer questions like how can supervisors strike a balance between risk, industry incentives and consumer protection while lowering the compliance burden.

### [IAIS, MIN, A2ii, AIO, ILO Policy Seminar Consultative Forum on “How to encourage the insurance industry in Africa to provide sustainable insurance services to the unserved”](#)

27-28 May 2015, Tunis

The seminar brought together 60 participants from supervisory authorities and the insurance industry from 24 countries from Sub-Saharan Africa and MENA regions to engage in a dialogue on ‘encouraging the industry to provide sustainable insurance services to the unserved in Africa’. In interactive plenary sessions participants deliberated on ‘What are the essential elements of an enabling regulatory framework which fosters inclusive insurance markets?’ and on ‘How to develop an enabling regulatory framework for inclusive insurance?’

Briefing notes with key takeaways from the forums were made publically available on our [website](#). These notes provide a useful reminder of the discussion and enable the knowledge generated to be shared with a wider audience. Given the success of the forums to date, the partners have agreed to host three such events per year from 2016. This will bring the forum into each of three main regions; Latin America and the Caribbean, Africa and Asia, on an annual basis.



# Our achievements 2014 -15

## Inclusive insurance training seminars

In partnership with the IAIS and the Toronto Centre, as well as local partners, the A2ii organised two training seminars on inclusive insurance regulation for supervisors. This training draws on the A2ii-IAIS Module on “Regulation and Supervision Supporting Inclusive Insurance Markets”, based on the IAIS application paper of the same name and employs interactive tools and methodologies to develop the capacities of insur-

ance supervisors on themes such as possible supervisory and regulatory approaches to encourage soundly supervised inclusive insurance markets.

The training is aimed at helping insurance supervisors to better understand:

- The importance of promoting financial inclusion in their home jurisdictions
- How sound supervisory principles can be applied in a manner that encourages inclusiveness in financial markets
- The importance of innovation for inclusive financial markets
- Differences between regular insurance and microinsurance
- The need for supervisors to be adaptable in their licensing and supervisory roles to properly respond to innovative solutions
- How to promote financial inclusion by encouraging supervisors to be adaptable in their licensing and supervisory roles in response to innovations.

Two training events were held in the reporting period:

**[A2ii- Conférence interafricaine des marches d'assurances \(CIMA\) – IAIS – Toronto Centre – Inclusive Insurance Training Program for Supervisors in Africa](#)**

24–28 November 2014 in Libreville, Gabon

22 insurance supervisors from 9 CIMA member countries participated in the training.

**[A2ii – IAIS - Toronto Centre- ASSAL - SBS - IADB Inclusive Insurance Training Program for Supervisors in LAC](#)**

8-12 June 2015 in Lima, Peru

26 insurance supervisors from 10 Latin American countries participated in the training.

Given the very positive feedback received from participants, we plan to increase the number of seminars to three in 2016.



## Expert symposium

The A2ii took the occasion of its fifth anniversary to distil key lessons from the experience of inclusive insurance regulation and supervision. In December 2014 an Expert Symposium on “Proportional Regulatory Approaches in Inclusive Insurance Markets – Capturing what we Learnt for the Future” was organised jointly with the IAIS and CGAP in Washington DC.

The event brought together almost 40 selected regulatory experts, insurance regulators and supervisors and development partners and provided an excellent opportunity to reflect on lessons learnt over the last 10 years in microinsurance regulation (since the first microinsurance regulation was developed in India in 2005) but was also helpful in shaping A2ii’s agenda and priorities in 2015 and beyond.

The event brought to the forefront the recent paradigm shift needed in supervisory and regulatory approaches to deal with the new challenges being confronted by the sector. These challenges include developments in the areas of digital finance, mobile insurance, non-traditional distribution channels and the introduction of new and more complex products (such as index-based insurance). These challenges have resulted in an increased need to cooperate and coordinate with other supervisory authorities and display the flexibility to adapt to new circumstances.

In addition, the following topics were discussed at the symposium:

- Role of insurance supervisor in market development and financial education
- Application of IAIS Insurance Core Principles in a proportionate manner
- How can quality as well as extent of inclusive insurance coverage be evaluated?
- Who should financial education focus on – the consumer, the insurer or the intermediary?
- Experience of supervisors working with different definitions of microinsurance

The key learnings from the session and, in particular, supervisory challenges identified were incorporated into a presentation made to the IAIS Financial Inclusion Working Group as well as presentations given by the A2ii Secretariat at a number of conferences over the course of the year.

“ You have to have some inventiveness. You have to really try out something. If it works, you proceed. If it doesn’t, it has been an experiment. You have to be willing to try things out and perhaps even make some mistakes.

*Daniel Schydlofsky, Superintendencia de Banca, Seguros y AFP (SBS)*



# Our achievements 2014 -15

## A2ii publications

October 2014: Briefing note [“Inclusive insurance protects households and promotes economic growth”](#). This note provides a high-level description of the role of insurance in economic growth and development and outlines the concept of pathways to development.



October 2014: Technical Notes to summarise the key technical documents produced by the A2ii. These comprise technical notes on [“evolving microinsurance business models and their regulatory implications”](#), [“regulatory approaches to inclusive insurance market development”](#), [“self-assessment and peer review on regulation and supervision supporting inclusive insurance markets”](#) and [“training module on regulation and supervision supporting inclusive insurance markets”](#).



Microinsurance country diagnostics were published in [Peru](#) (December 2014), [Colombia](#) (December 2014) and [Jamaica](#) (January 2015).



These diagnostics present the landscape of the countries’ microinsurance sectors, identify present and potential barriers to developing microinsurance as well as factors and opportunities that may contribute to developing the microinsurance industry. In addition, the reports provide recommendations to help support the development of the microinsurance industry.

These diagnostic reports are part of the joint project between the IADB the A2ii and the respective supervisory authorities.

July 2015: Article entitled titled [“State of Regulation and Supervision Supporting Inclusive Insurance Markets”](#) in the new annual Microinsurance Network publication, ‘The state of Microinsurance’. The A2ii gives an overview of the current state of microinsurance regulation, highlights recent trends in inclusive insurance markets and provides an outlook on their regulatory implications and potential challenges.

The A2ii also published [monthly newsletters](#) keeping supervisors updated of its activities. In addition, we launched a new series of ‘newsflashes’ aimed at promoting changes in inclusive insurance policy and regulation by supervisory authorities among their peers.





## » FSI Connect

In 2014 and 2015 the A2ii collaborated with the Financial Stability Institute (FSI) to convert the IAIS-A2ii Training Module on Regulation and Supervision Supporting Inclusive Insurance Markets into [FSI Connect Format](#).

FSI Connect is an e-learning platform developed by the FSI for self-learning tailored for banking and insurance supervisors, according to their role, experience and areas of interest. FSI Connect features a set of tutorials and provides subscribers with the opportunity to sign up to structured learning paths comprising pre-selected, sequenced tutorials.

The purpose of this 1 hour training is to give supervisors an introduction to the most important topics of the Core Curriculum Module, and also to help support supervisors to implement effectively the application guidance supporting inclusive insurance markets as set out in the IAIS Application Paper on the same topic. The on-line tutorial went live in July 2015.

The IAIS is kindly sponsoring a limited number of free licenses for supervisors for the FSI Connect tutorial. For more information on obtaining a licence and how to access the FSI Connect tutorial, please contact [iais.fsiconnect@bis.org](mailto:iais.fsiconnect@bis.org).

## Looking ahead

In the coming year, regionally focused implementation activities will remain key to our approach, working with the IAIS and our partners. In Sub-Saharan Africa we will work to finalise the regional implementation plan and put it into action. Building on the experience gained in Sub-Saharan Africa we will also start working with supervisors in Asia and Latin America to understand how we can best support the development of regional implementation plans in their region. Key to these efforts will be strengthening our relationship with the existing sub-regional bodies to enable us to leverage off their efforts and support them as appropriate in their capacity building work.

Mid 2016 will also see the conclusion of the joint project with the Inter-American Development Bank to develop and implement regulatory road maps in Jamaica, Peru and Colombia. A number of regional dissemination events will be organised to share the learning from the project.

“ I think this idea is getting to take off, I think it is really going to be ground-breaking and trend-setting. I think the other standard setting bodies will look at the IAIS and ask themselves why don't we have something like the Access to Insurance Initiative

*Tim Lyman, CGAP* ”

Providing a platform for peer-to-peer learning will remain key to A2ii's approach. We will continue to host consultation calls every two months as well as organise events on the ground and training events in the different regions. This will include three inclusive insurance training seminars with events planned in the Middle East and North Africa (MENA), Caribbean and Asia. In addition, in recognition of the importance of dialogue with the industry, three Consultative Forums are planned for Latin America and the Caribbean, MENA and Asia in 2016.

Work will also continue to better understand the impact of regulation on financial inclusion. Using the experience gained in Peru, India and the Philippines the effectiveness of different regulatory and supervisory approaches to support inclusive insurance will be analysed. This should help regulatory authorities to focus more on those interventions that generate a greater impact.

We will continue to support IAIS's standard-setting activities on financial inclusion through our participation in relevant IAIS committees, working groups and drafting groups. Of particular note we will finalise the development of two case studies looking at proportionality in practice as well as seek to develop a third case study in 2016. In addition, we will work with the IAIS in conducting a survey of its membership on their capacity building and training needs. Towards the end of 2016 we also plan to start work on a follow-up Self-Assessment and Peer Review of the supportiveness of IAIS members' supervision and regulation for financial inclusion. The results of this can then

be compared with those of the previous Self-Assessment and Peer Review conducted on this topic in 2013.

Finally, through active participation in the GPFI and the development of informative briefings, we will seek to more proactively engage with policy-makers. This we hope will lead to a better understanding of the need for insurance to be included in national financial inclusion strategies and more generally the important role insurance plays in supporting economic growth and stability.



# Governance Structure

## Our founding partners

» The A2ii was created as a partnership between the following organisations:

- The International Association of Insurance Supervisors (IAIS)
- German Federal Ministry for Economic Cooperation and Development (BMZ)
- CGAP
- FinMark Trust
- International Labour Organization (ILO)
- United Nations Capital Development Fund (UNCDF).

» Other partners provided core funding or supported country and regional activities through cash or in-kind contributions:

Asian Development Bank (ADB), FIRST Initiative, Making Finance Work for Africa Partnership (MFW4A), Inter-American Development Bank through its Multilateral Investment Fund (IADB/MIF) and The Netherlands' Ministry of Foreign Affairs Directorate-General for International Cooperation (DGIS).

## Current funders

Since 2014, the A2ii has received core funding from BMZ and DGIS with additional in-kind contributions from the IAIS and FinMark Trust.

In addition, the IADB/MIF co-funds our joint project to implement regulatory and supervisory standards for microinsurance markets in Latin American and the Caribbean.

Partnerships remain key to the A2iis work with many of our events, publications and activities organised as collaborations with other organisations.

The A2ii Secretariat continues to be hosted by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the BMZ.

## The A2iis Governance Structure

1. Governing Council: the highest decision making body of the A2ii, which approves the Initiative's strategy and provides high level oversight of all of its activities; it can accommodate a broad range of stakeholders. An IAIS representative chairs the Governing Council.
2. Executive Committee: provides ongoing monitoring and guidance for the day to day activities of the A2ii and advises the Governing Council on strategic decisions. An IAIS representative chairs the Executive Committee.
3. Secretariat: handles the day to day management of the Initiative.

## Members of the Governing Council

- » Representatives designated by the IAIS
  - Jonathan Dixon, FSB, South Africa
  - Peter Braumuller, FMA, Austria
  - Rosemary Henry, FSC, Jamaica
  - Peter van den Broeke, IAIS
  - To be determined
- » Representative of the host
  - Brigitte Klein, GIZ
- » Representatives designated by each of the charter sponsors
  - Craig Churchill, ILO
  - Susanne Dorasil, BMZ
  - Tim Lyman, CGAP
  - Prega Ramsay, FinMark Trust

## Members of the Executive Committee

- » **Representatives designated by the IAIS**
  - Jonathan Dixon, FSB, South Africa
  - Peter van den Broeke, IAIS
  - To be determined
- » **Representatives designated by other members of the Governing Council**
  - Susanne Dorasil, BMZ
  - Tim Lyman, CGAP
- » **Executive Director of the Access to Insurance Secretariat as a non-voting member**
  - To be determined
- » **Members of the Secretariat**
  - Hannah Grant, acting executive director and IAIS liaison officer
  - Janina Voss, advisor, lead on Asian regional implementation
  - Teresa Pelanda, advisor, communications officer
  - Patricia Maria Inga Falcon, project manager, lead on Latin American regional implementation
  - José Carlos Aliaga Ramos, administrative assistant
  - Mariya Ivato-Kolodziejcki, financial manager
  - Sina Andratschke, office manager

# Presentations

EVENT	TOPIC	DATE
IAIS Annual Conference   Amsterdam, Netherlands	A2ii presented on financial inclusion panel.	October 2014
A2ii – CGAP - IAIS Expert Symposium “Proportional regulatory approaches in inclusive insurance markets – Capturing what we learnt for the future”   Washington DC, US	A2ii co-organised inclusive insurance Expert Symposium looking at lessons learnt over the last 10 years in inclusive insurance supervision and emerging challenges.	December 2014
IAIS Regional Meeting SSA   Pretoria, South Africa	Meeting of Sub Saharan African regional associations to discuss Sub Saharan African regional implementation.	February 2015
TAG - FSDZ-ILO-Munich Re Foundation Learning Session: Microinsurance business models for Africa   Livingstone, Zambia	A2ii presentation on role of regulation and supervision in inclusive insurance markets, global trends and challenges in insurance supervision and Sub-Saharan Africa IAIS/A2ii regional implementation	March 2015
ASSAL Annual Assembly and Conference   San José, Costa Rica	A2ii presentation on panel discussing Conduct of Business on Inclusive Insurance Markets	April 2015
IAIS SSA Regional Meeting   Tunis, Tunisia	Meeting of Sub Saharan African regional associations to discuss Sub Saharan African regional implementation. A2ii Presentation on IAIS Sub Saharan African Landscape	May 2015
3rd AIO-IAIS-A2ii-MIN Consultative Forum   Tunis, Tunisia	Regional Coordination and Implementation Projects: Sub-Saharan Africa (SSA)	May 2015
UNEP Swiss Re Roundtable, Insurance 2030 "Policies and partnerships for sustainable development"   Zürich, Switzerland	A2ii presented on panel discussing “Insurance policy and regulatory frameworks for sustainable development”, highlighting the important role the A2ii plays in supporting insurance supervisors in their efforts to increase financial inclusion.	May 2015
AFI Global Standard Setting Working Group meeting   Kuala Lumpur, Malaysia	A2ii presented on the application of proportionality in practice at the IAIS and on-going work on the topic.	May 2015

EVENT	TOPIC	DATE
<b>AFI Global Symposium.</b> “Towards Proportionality in Practice: Financial Inclusion and Implementation of Global Standards”   Kuala Lumpur, Malaysia	A2ii presented on a panel discussing “Proportionality in Insurance”, examining the approach the IAIS has taken to proportionality in its ICPs as well as the challenges faced by its members in applying the ICPs in a proportionate manner.	May 2015
<b>GIZ Community of practice call on inclusive insurance</b>   Eschborn, Germany	Access to Insurance Initiative (A2ii) - IAIS relation, tools and IADB/A2ii project learnings	May 2015
<b>A2ii - Toronto Center - ASSAL - SBS Training on inclusive insurance regulation</b>   Lima, Peru	A2ii Tools and Peer Learning Instruments Implementation of Regulatory and Supervisory Standards in Microinsurance Markets in Latin America and the Caribbean	June 2015
<b>CAIR - Caribbean Association of Insurance Regulators Insurance Conference and Meeting</b>   Port of Spain, Trinidad and Tobago	A2ii presented on a panel with the Financial Services Commission (FSC) Jamaica on inclusive insurance.	June 2015
<b>IAIS Global Symposium</b>   Macau	A2ii presented alongside the Financial Services Board, South Africa and the National Association of Insurance Commissioners, US, on a panel discussing the role of the IAIS Implementation Committee.	June 2015
<b>Insurance Impact Facility- Microinsurance Stakeholders workshop</b>   Lima, Peru	Results of the microinsurance country diagnostic Peru	July 2015
<b>AFIR - 10th annual conference of the Asian Forum of Insurance Regulators</b>   Colombo, Sri Lanka	A2ii presented on financial inclusion panel on topic of Strong Partnership for Inclusive Insurance Markets: IAIS and A2ii	July 2015
<b>PROFIN - International Conference on "The importance of regulation in the development of Microinsurance"</b>   Santa Cruz, Bolivia	Positive aspects and determinants of regulation	July 2015
<b>Regional Microinsurance Workshop for Central America</b>   Managua, Nicaragua	A2ii presented on a panel discussing recent inclusive insurance developments in the Nicaraguan, El Salvadorian, Peruvian, Colombian and Jamaican insurance markets as well as discussing the important role regulation plays in market development	August 2015



Access to Insurance Initiative  
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The Initiative is  
a partnership  
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