DEFINITIONS

Market opportunity (business environment & financial development)	The extent to which insurance is viable and needed, based on whether there is "a sufficient level of income, stability in the economic environment and the presence of industrial activity" (Chamberlain, et al., 2017). Covers factors within and beyond the insurance sector. Not all KPIs are within the influence of the supervisor or insurance industry.
Insurance legal and regulatory framework	The extent to which there is a sound and enabling regulatory framework for development.
Competence, governance and culture	The extent to which there is sufficient professional and technical skills (notably actuarial skills) (Chamberlain, et al., 2017) and strong governance and corporate culture within the insurance sector. Governance and culture affects firms' decisions and behaviour regarding prudential and conduct risk.
Information and data	The extent to which information asymmetries between insurers, intermediaries and consumers are minimised. From the suppliers' perspective, this means the ability to manage anti-selection and moral hazard. From the customer angle, it entails transparency and the ability to compare options and make informed choices (Chamberlain, et al., 2017). This requires proper market conduct as well as appropriate data infrastructure.
Scale and demand	The extent to which there exists a large enough insurable population for viability, as well as demand and need for voluntary insurance.
Competition and market conditions	Refers to "the process of rivalry between suppliers" (Financial Conduct Authority, 2017). When this process is effective, it "drives down costs and prices, drives up service standards and quality and increases access to financial services", while simultaneously bolstering innovation and productivity (Financial Conduct Authority, 2017). As such, this factor also includes measures of efficiency and innovation within the market.
Functioning of the insurance value chain	"All interactions that have to take place between the underwriter of the risk and the ultimate client". As such, according to Smith, et al., (2011), it includes "policy origination, premium collection and policy administration, as well as all marketing, sales and claims payment activities".

Market growth	The extent to which the overall insurance market is growing, measured by different parameters.
Access and outreach	The extent to which the overall insurance market is equitable in terms of accessibility of distribution and availability of products.
Product diversity and suitability	Range of product offerings in the market and the extent to which they meet development and policy objectives e.g. retirement, long-term life protection, or any of the SDGs.
Inclusive insurance products (scale and client value)	This category applies specifically to product lines that are either 1) designated microinsurance products under a microinsurance regulatory framework, 2) designed for inclusive insurance customers, or 3) not designed for, but is accessible to, inclusive insurance customers (e.g. mass insurance). Regulators should determine what they consider to be 'inclusive insurance' for KPI purposes. 'Scale' measures whether the insurance market is growing sustainably and whether the state of financial inclusion is improving. 'Client value' measures "appropriateness for customers, affordability of products, accessibility and fairness of processes and quality of service" (Tatin-Jaleran & Chiew, 2019). Most market conduct KPIs can be applied specifically to inclusive insurance product lines to understand its performance.
Innovation	The extent to which the insurance sector "does things differently" to reach new customers or introduce new products and services (World Bank, 2019), as well as introduce new cost efficiencies. This includes the extent to which the sector adopts technology and digitalisation.