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and BEYOND

building stronger partnerships
between the public and private sectors



INSURANCE REGULATORY CHALLENGES

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...➤ AGENDA

- Key challenges:
 - Financial stability
 - Prudential regulation
 - Market conduct
- Key themes
- Key strategic projects



••➤ FINANCIAL STABILITY CHALLENGES

- System-wide supervision
 - Include unregulated entities
- Conglomerate supervision
- Macroprudential regulation
 - Systemically significant entities
 - Macroprudential surveillance and tools
- Supervisory co-ordination
 - Supervisory colleges and peer reviews



••➤ PRUDENTIAL CHALLENGES

- Risk-based supervision
- Quantitative requirements:
 - Risk-based provisioning and capital
- Qualitative requirements:
 - Governance & risk management
- Reporting and disclosure
- Insurance group supervision

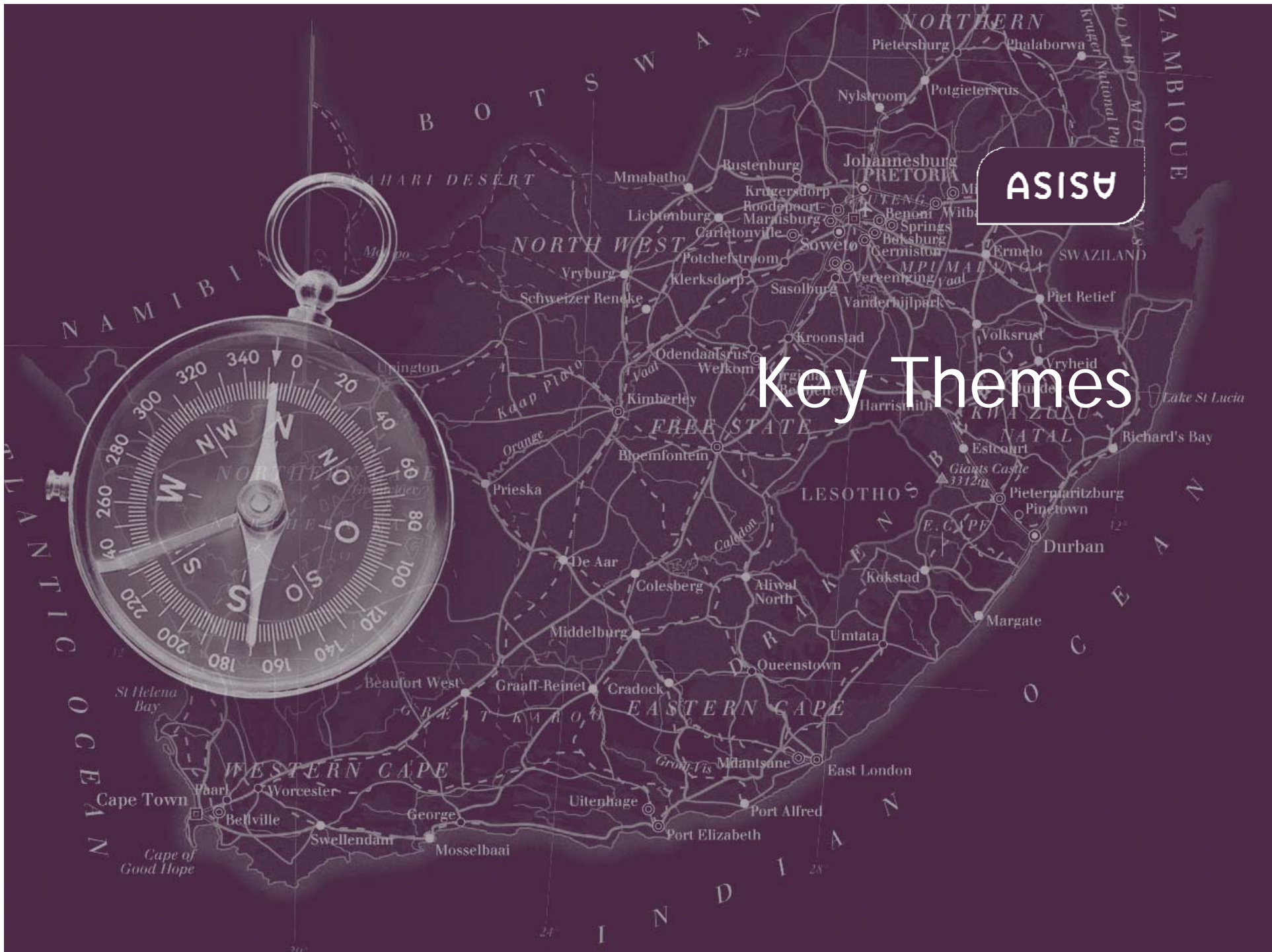


••➤ MARKET CONDUCT CHALLENGES

- Clear guidelines on fair treatment of customers
- Proactive monitoring & supervision
- Appropriate incentive structures
- Visible enforcement
- Integrity of the system

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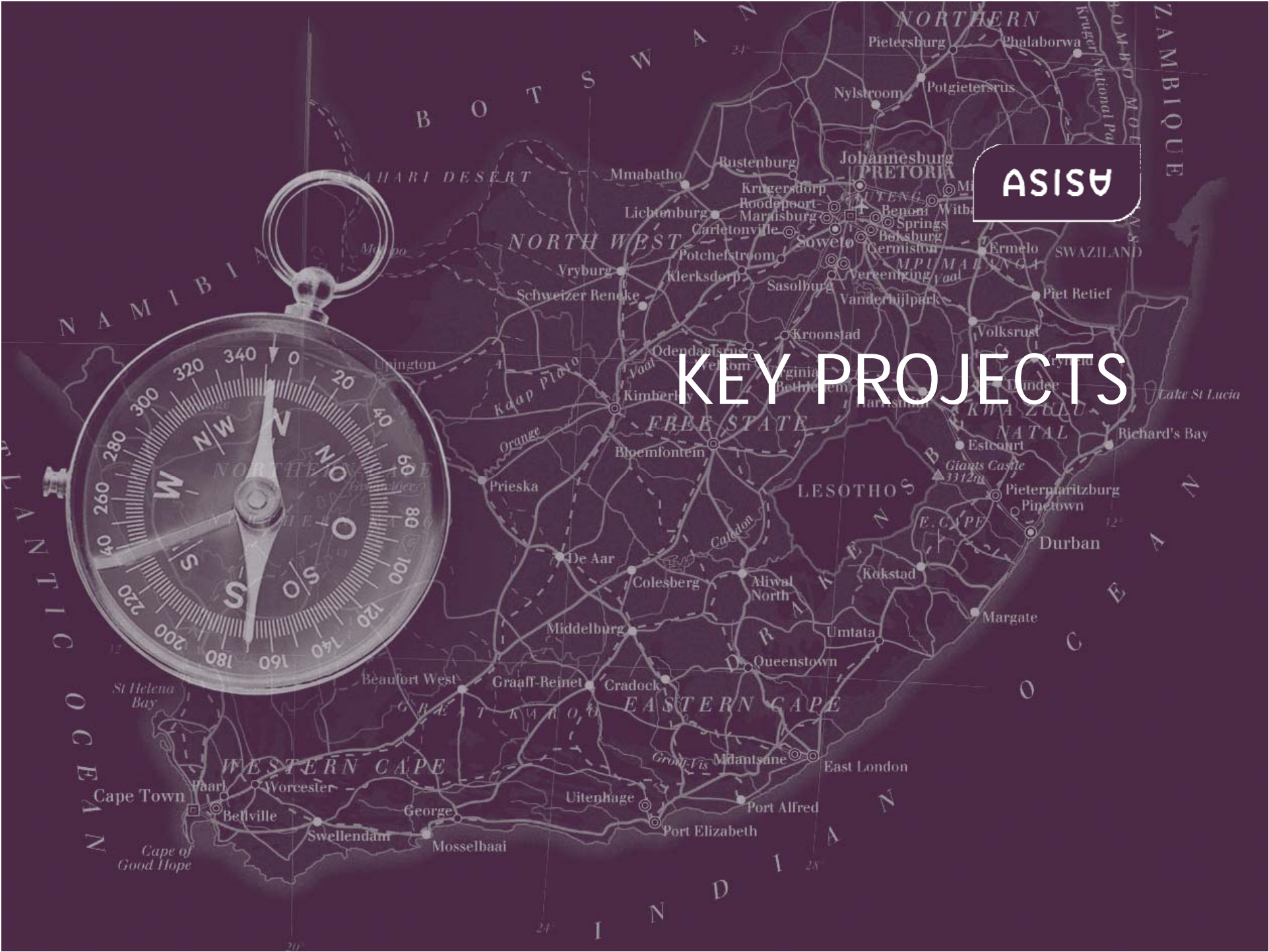
Key Themes





...➤ KEY THEMES

- Proactive approach to supervision
 - Forward looking, risk-based
 - 'Prevention rather than cure'
 - Improved skills and systems
- Supervisory co-ordination
 - System-wide view
 - Information-sharing



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KEY PROJECTS



••➤ SOLVENCY ASSESSMENT & MANAGEMENT (SAM)

- A revised, risk-based solvency regime for ST and LT insurers, to meet 3rd country equivalence test under Solvency II
- Targeted implementation date January 2014
- Inclusive consultation process – representative Steering Committee, Sub Committees and Task Groups
- Key challenges: regulatory framework; industry readiness, supervisor readiness



••➤ TREATING CUSTOMERS FAIRLY (TCF)

- An outcomes-focused approach to ensuring that companies have an embedded culture of treating their customers fairly throughout the product life cycle
- Requires:
 - Clear regulatory expectations
 - Effective supervisory approach
 - Visible enforcement
- Discussion Paper April 2010



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THANK YOU