



CMF inaugurates IAIS Annual Conference

- *The event, held on November 10 and 11, brings together the world's leading insurance supervisory authorities.*
- *It features panels and keynote speeches on issues like diversity, equity and inclusion; changes in consumer preferences; macroeconomic risks; climate risks; and capital standards in the insurance industry.*
- *The opening session was led by the Mario Marcel, Minister of Finance of Chile, and Pablo García, Vice Governor of the Central Bank of Chile.*

November 10, 2022 — The Financial Market Commission (CMF) inaugurated today the Annual Conference of the International Association of Insurance Supervisors (IAIS). Due to the number of attendees and the topics it addresses, the Conference is the prime event for insurance supervisors worldwide. The IAIS is responsible for agreeing on the best global practices for the regulation and supervision of the insurance industry.

The theme of this year's Conference is “**Changing Landscape: The Role of the Insurance sector in Meeting Emerging Economic and Social Challenges.**” It addresses topics like diversity, equity and inclusion; changes in consumer preferences; macroeconomic risks; climate risks; and capital standards in the insurance industry.

“The theme of the Annual Conference fits perfectly with the environment we live in as we face a changing landscape. As regulators, we must keep pace to ensure proper financial market development,” stated CMF Chairwoman Solange Berstein. “One of our main objectives is to safeguard the solvency of insurance companies, requiring capital levels that include all the risks they face, which is why it is urgent to have an updated Insurance Law.”

Berstein added this would allow to set capital requirements based on the comprehensiveness of the risks assumed; facilitate the globalization of the local financial market through the full adoption of international standards; complement prudential supervision tools; incorporate early regularization tools; and translate into law the risk-based supervision approach implemented by the CMF since 2009 by incorporating the appropriate corrective measures. The Chairwoman also stressed the challenge of advancing towards greater financial inclusion and access to

insurance for new sectors of the population, highlighting the positive impact that the new Fintech Law would have in this regard “by incorporating parametric insurance and microinsurance, allowing a massive extension of protection to the population”.

Finally, Bernstein also mentioned the challenges of climate change and its impact on the financial system and insurers. In line with the work of the IAIS and other international bodies, the CMF has formally recognized it as a source of financial risk in its Strategy for Addressing Climate Change, published in September 2020.

Day One

The Conference opened with speeches by Mario Marcel, Minister of Finance of Chile, and Pablo García, Vice Governor of the Central Bank of Chile. Marcel pointed out that Chile is the country with highest penetration of the insurance industry in the region, although there are still pending challenges to close the gap with developed economies. “Insurance coverages tend to focus on companies and individuals who have more assets to protect, but it is true at the same time that the risk exposure of many middle- and low-income people is large,” said Marcel regarding financial inclusion in the insurance market.

Marcel added that expanding the universe of coverage is very relevant because “one of the factors that explains the differences is the inequality in resources available to recover from an event that may affect people. Wealthier individuals always have something to fall back on: their own savings, their insurance, their family ties, their social ties, but lower-income people have very little of that. As a Government, we support financial inclusion in the insurance market so insurance coverage and protection can reach people still on the margins.”

“In recent years, global capital markets — including the insurance industry — have been under significant pressure from high levels of inflation and turmoil in the financial markets,” said Pablo García. “This highlights the importance of preserving financial stability and the need to maintain our efforts to restore the Chilean financial market and its shock absorption capacity.” The Vice Governor stated that a deep capital market “continues to be fundamental for economic development and to facilitate macroeconomic adjustment in the face of global shocks”.

“The loss of depth of our domestic capital market in recent years has deteriorated the access of companies and households to long-term financing,” added García. “This highlights the need to prioritize measures to restore long-term savings, as well as to facilitate the functioning of our markets.”



Left to Right: Jonathan Dixon, Secretary General of the IAIS; Pablo García, Vice Governor of the Central Bank of Chile; Mario Marcel, Minister of Finance of Chile; Victoria Saporta, Chair of the IAIS Executive Committee; and CMF Chairwoman Solange Berstein.

Cybersecurity Challenges

Matt Holland, Founder and CEO of Field Effect, delved into the main cybersecurity threats faced by the financial system and insurance companies in a context of increased cyber risks. The IAIS Executive Committee held a meeting after Holland's keynote presentation.

The first day wrapped up with a panel discussion titled "Embedding Diversity, Equity and Inclusion for Better Prudential and Consumer Outcomes." Moderated by Gerry Cross, Head of Financial Regulatory Policy and Risk at the Central Bank of Ireland, the panel will discuss how diversity, equity and inclusion — regarding both the industry's workforce and customer service — lead to better governance and decision making, prevent discriminatory practices, and impacts positively on customer satisfaction.

Day Two

November 11 will kick off with "Changes in consumer Preferences: What do They Mean for Global Insurance Supervision?", a panel moderated by David Altmaier, Vice Chairman of the IAIS Executive Committee and Commissioner of the Florida Office of Insurance Regulation. This will be followed by the panel titled

“Macroeconomic Risks for the Global Insurance Sector and Supervisory Frameworks to Monitor and Mitigate Risks”, led by Dieter Hendrickx, Chairman of the IAIS Macroprudential Committee and Head of Prudential Policy Insurance at the National Bank of Belgium.

The second day will continue with the working lunch “Women in Insurance”, which will be attended by CMF Chairman Solange Berstein, among others.

Shigeru Ariizumi, Vice Chairman of the IAIS Executive Committee and Deputy Commissioner for International Affairs of the Financial Services Agency of Japan, will moderate Friday’s third panel discussion — “Moving to the Next Level: Insurance Industry Responses to the Growing Risks of Climate change.”

The Conference will conclude with “Countdown to the Insurance Capital Standard: looking ahead to finalization of the global capital standard”, led by Victoria Saporta, Chair of the IAIS Executive Committee and Chief Executive of the Prudential Regulation Authority of the Bank of England.

A detailed schedule of the 2022 IAIS Annual Conference is available [here](#).

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