

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

BY-LAWS¹

Preamble

THE INSURANCE SUPERVISORS referred to in PART 2 of these by-laws

RECOGNIZE that the insurance industries and markets are of fundamental economic and social importance, nationally and internationally;

RECOGNIZE that most domestic insurance markets are increasingly being integrated into a global market;

WISH TO

- * formally establish an independent forum for meetings of insurance supervisors for their mutual benefit;
- * engender awareness of common interests and concerns among such insurance supervisors;
- * encourage wide international personal and official contacts among insurance supervisors;
- * enhance the ability of insurance supervisors to better protect insurance policyholders and to better promote and secure efficient insurance markets.

RESOLVE

- * to cooperate together to ensure improved supervision of the insurance industry on the domestic as well as on an international level in order to maintain efficient, fair, safe and stable insurance markets for the benefit and protection of policyholders;
- * to unite their efforts to develop practical standards for supervision of insurance that members may choose to apply;
- * to liaise or cooperate with other relevant international entities;
- * to provide mutual assistance to safeguard the integrity of markets;
- * to exchange information on their respective experiences in order to promote the development of domestic insurance markets.

AND DECIDE, TO ACHIEVE THESE OBJECTIVES

- * to join together in the International Association of Insurance Supervisors (the “Association”), an association established in accordance with Article 60 et seq. of the Swiss Civil Code, to be governed by these by-laws and to pursue these objectives on a cost and thus nonprofit basis by utilizing its income solely for the purposes of achieving its objectives and not to distribute any profit or dividend to any member.

PART 1

General Provisions

1. In these by-laws, unless the context otherwise indicates:
 - (a) any reference to ‘supervisor’, ‘supervisory’ or ‘supervision’ shall include ‘regulator’, ‘regulatory’ or ‘regulation’;
 - (b) the singular shall include the plural;
 - (c) any prescribed period for the doing of any act shall be calculated exclusively of the first day and inclusively of the last day unless such day is a Saturday or a Sunday.
 - (d) “Jurisdiction” means any nation, state, country, territory, province, or geographical area which has its own enforceable laws governing the incorporation or operation of insurers.
 - (e) “Federation of Jurisdictions” means any form of federal association of Jurisdictions with a central organising entity which exercises powers in relation to the residents in each constituent Jurisdiction and represents them externally. It does not include an international association of sovereign states.
2. Insurance industry supervisors and eligible agencies are joined together in the International Association of Insurance Supervisors to assist such supervisors or agencies to achieve their objectives through the forums for discussion, by cooperation and standards for regulation and supervision agreed to by the Association.
- 2A. The Association shall have separate legal personality. It shall in particular have the power to:
 - (a) contract; and
 - (b) sue and be sued, complain and defend, in its own name; and
 - (c) acquire and dispose of movable and immovable property; and
 - (d) take such other action as may be necessary or useful for its purposes and activities, within its general powers.
3. The objectives and by-laws of the Association may,
 - (a) after 90 days’ written notice to members, be amended by a majority of members of the Association present in a General Meeting; or

- (b) after 30 days' written notice to members, be amended by a two-thirds majority of members of the Association present in a General Meeting; or
 - (c) a modification of any amendment proposed in terms of paragraph (a) or (b) may be approved by a majority of members of the Association present in a General Meeting.
- 4. The by-laws are for the purposes of the establishment and the operation of the Association and do not impose legal obligations on members or the Jurisdictions or Federation of Jurisdictions which they represent.
 - 5. The location of the General Secretariat of the Association shall be determined by the Association in General Meeting on the recommendation of the Executive Committee.

PART 2

Members

- 6. The Association is comprised of its members. (Each annual report of the Association, referred to in Part 8 of these by-laws, will contain a list of the members.)
- 7. Either of the following can apply for membership in the Association:
 - (a) an insurance industry supervisor or agency;
 - (b) an association of the public regulatory bodies with jurisdiction over the supervision of the insurance industry in a Federation of Jurisdictions (an 'association of regulators').
- 7A. An association of regulators can apply for one or both of the following:
 - (a) a single membership for the association of regulators;
 - (b) multiple membership.
- 7B. A single membership under paragraph 7A(a) confers on the association of regulators concerned the same rights and obligations as apply to any other member of the Association (except a member by virtue of multiple membership).
- 7C. The following rules apply to multiple membership:
 - (a) the insurance industry supervisors or agencies that are members of an association of regulators that has multiple membership are taken to be members of the association for all purposes under the by-laws (except as otherwise provided in this by-law);
 - (b) a member of the association of regulators must be present at the General Meeting of the Association for its vote to be counted;
 - (c) the association of regulators must pay a membership contribution on or before 1 April in a year in respect of the total number of its members that it wishes to have the right to vote during that year (the individual members making up the total number may change from time to time);
 - (d) an insurance industry supervisor or agency cannot at the same time be a member of the Association in its own right and a member of the Association by virtue of multiple membership;
 - (e) an association of regulators that has multiple membership is not a member of the Association in its own right unless it also has a single membership under paragraph 7A(a).

- 7D. The number of votes that the members of an association of regulators that are members of the Association can exercise is limited to a maximum of 15 except that for matters dealt with in paragraph 10 the limits will be one vote (provided that a vote shall not be exercised while a membership contribution payable under paragraph 7C(c) or 10(b) in respect of that vote remains unpaid). This by-law applies whether the association of regulators has a single membership under paragraph 7A(a), multiple membership or no membership of the Association.”
8. An application for membership must:
- (a) be sent to the Secretariat accompanied by the membership contribution;
 - (b) include a description of the organization of the applicant and its responsibilities, particularly its insurance supervisory responsibilities;
 - (c) be approved by the Association in General Meeting on the recommendation of the Executive Committee.
9. The membership contribution is determined by the Association in General Meeting on the recommendation of the Executive Committee and is payable annually before 1 April.
10. Subject to the provisions of paragraphs 7A to 7D which determine the voting rights of multiple members, every member should have a vote provided that:
- (a) in the election of the Executive Committee, the amendment, substitution or repeal of any By-laws of the Association, or the location of the Secretariat, voting should be limited as follows:
 - (i) where there is more than one member representing a Jurisdiction, only one vote shall be cast on behalf of that Jurisdiction, unless that member is a Jurisdiction within a Federation of Jurisdictions, in which case (ii) applies; and
 - (ii) where there is more than one member representing a Federation of Jurisdictions, only one vote shall be cast on behalf of the Federation of Jurisdictions; and
 - (b) if the membership contribution of a member for a particular year has not been paid before or on first day of April, such a member shall, until payment of such contribution, have no vote.
11. The membership of a member:
- (a) shall lapse if the membership contribution of a member has not been paid for two years; or
 - (b) may be canceled by the Executive Committee if a member has become disqualified in terms of the by-laws or has deliberately acted in a manner that is detrimental to the Association.
12. A member may resign by giving written notice of its resignation to the Secretariat and after such notice shall not be entitled to any benefit including the refund of any portion of the membership contribution paid or required to comply with any of the obligations of a member.

Observers

13. The following bodies may apply to become observers:
 - (a) an international, national or regionally based official governmental organization, a component element of which has an interest in insurance and insurance supervision, even though the organization is not directly responsible for insurance law or its administration;
 - (b) any other person or body recommended by the Executive Committee to the Association in General Meeting.
14. An application to become an observer must:
 - (a) be sent to the Secretariat accompanied by the contribution payable by an observer;
 - (b) include a description of the organization of the applicant and particularly, its interest in the insurance industry; and
 - (c) be approved by the Association in General Meeting on the recommendation of the Executive Committee.
15. The contribution payable by an observer is determined by the Association in General Meeting on the recommendation of the Executive Committee and is payable annually before 1 April.
16. An observer shall not have a vote but shall be entitled:
 - (a) on payment of the registration fee to attend any conference or General Meeting of the Association; and
 - (b) to a copy of the annual report of the Association.
17. The Executive Committee may decide to limit the attendance of any conference or General Meeting of the Association or part thereof referred to in by-law 16(a) or the circulation of any annual report referred to in by-law 16(b) to members of the Association only.
18. An observer shall cease to be an observer:
 - (a) if the contribution payable by an observer for a particular year has not been paid before 1 April.
 - (b) if the Executive Committee decides an observer has become disqualified in terms of the by-laws or has deliberately acted in a manner that is detrimental to the Association.
19. An observer may resign by giving written notice of its resignation and after such notice shall not be entitled to any benefit including the refund of any portion of the contribution paid or required to comply with any of the obligations of an observer.

PART 3

Structure of the Association

20. The Association is comprised of the following:
- the Association in General Meeting
 - the Executive Committee and its subcommittees
 - the Secretariat
21. The Association shall hold an annual meeting called the General Meeting.
22. The Executive Committee is comprised of a minimum of nine and a maximum of fifteen members (including the two chairs mentioned in by-law 22A).
- 22A. The chairs of the Technical Committee and the Emerging Markets Issues Committee (which are established by the Executive Committee) shall be ex-officio members of the Executive Committee.
- 22B. The other members of the Executive Committee (the 'elected members') shall each be elected by a majority vote of the Association in General Meeting. (The rules in paragraph 10(b) apply to the voting.)
- 22C. Membership of the Executive Committee shall be limited to no more than one member per Jurisdiction and shall, as far as possible, be comprised of insurance supervisors from different areas and different interest groups.
23. (a) The Secretariat is administered by one or more persons appointed by the Executive Committee and in accordance with the instructions of the Executive Committee.
- (b) The Executive Committee shall determine the conditions and period of office of the persons referred to in paragraph (a).
24. (a) Each member is represented at meetings of the Association by the head of the respective supervisory body, or any alternative designated in writing by such head.
- (b) A vote may be exercised only by the member or by the person representing the member.

PART 4

Executive Committee

25. (a) The members of the Executive Committee are elected for a period of two years. An outgoing Chairperson who represents a member of the Association remains an *ex officio* voting member of the Executive Committee for a period of one year after the expiration of his or her term as Chairperson.

- (b) For purposes of paragraph (a) a one year period is considered to cover the interval between two annual General Meetings.
26. Casual vacancies in the Executive Committee may, subject to by-law 22, be filled by the Executive Committee until the next General Meeting of the Association.
27. The Executive Committee shall choose, from its members, a Chairperson and a Vice Chairperson.
28. The Executive Committee takes all decisions necessary to achieve the objectives of the Association in accordance with the directions given by the Association in General Meeting. The Executive Committee may set up sub-committees to assist it with the performance of its duties.
29. The duties of the Executive Committee are:
- (a) to prepare a program of activities and an annual budget (including annual membership and observer contribution) to be approved by the Association in General Meeting;
 - (b) to act as liaison among members of the Association;
 - (c) to prepare the program of the Association Conference and to take all necessary decisions for the preparation of the Conference;
 - (d) to report on the work of the Executive Committee to the Association in General Meeting;
 - (e) to assist the host country in organizing the Association's Conference;
 - (f) to consider the admission of members and observers;
 - (g) to recommend to the Association in General Meeting conditions which shall apply to the attendance of observers at the Association's Conference and the registration fees for observers;
 - (h) to call a General Meeting of the Association after 60 days notice;
 - (i) to carry out other duties assigned to it by the Association in General Meeting; and
 - (j) to oversee the functioning of the Secretariat.
- 29A. The Association shall be represented and legally committed in its dealings with third parties either by the signature of the Chairperson of the Executive Committee, or of another member of the Executive Committee, or of any other official of the Association duly authorized by the Chairperson to sign on behalf of the Association.
30. The Chairperson of the Executive Committee (or in his or her absence, the Vice-Chairperson) calls and conducts the meetings of the Executive Committee. The Secretariat shall keep minutes of such meetings.
31. A majority of members of the Executive Committee constitute a quorum and decisions are made by the majority of the members present. The person acting as Chairperson at a meeting of the Executive Committee shall in the case of an equality of votes have a casting vote in addition to a

deliberative vote. Deliberations among members of the Executive Committee conducted by any means of telecommunication which are confirmed in writing are valid.

32. The Chairperson of the Executive Committee may invite any other person to take part in its deliberations.

PART 5

General Secretariat

33. The Secretary administers the Secretariat, and:
- (a) keeps the records and minutes of the Executive Committee and of the Association in General Meetings;
 - (b) ensures that the by-laws are updated as necessary;
 - (c) examines applications for membership or observers and makes recommendations accordingly;
 - (d) assists the Executive Committee in its functions; and
 - (e) executes all other functions that are assigned to him or her by the Executive Committee.
34. The expenses for the operation of the Secretariat are the responsibility of the Association.
35. The reports of the Association Conference and all other records of the Association are kept at the offices of the Secretariat of the Association.

PART 6

Association Conference

36. Members shall meet annually or at such other periods as may be determined by the General Meeting. One of the languages of the Association Conference shall be English. An Association Conference may be held in conjunction with the General Meeting referred to in by-law 21 or at such other time as determined by the General Meeting.
37. Members of the public may attend the Association Conference provided they meet the conditions (including payment of registration fees) set by the Association in General Meeting on the recommendation of the Executive Committee. The Executive Committee may determine certain sessions to be closed to members of the public.
38. The Executive Committee is, subject to the directions of the Association in General Meeting, responsible for the preparation of the program of the Association Conference.

39. The Association Conference is directed by a Chairperson, who shall be the person in charge of insurance supervision of the Jurisdiction hosting the Conference, and two Vice-Chairpersons, being the Chairperson of the immediately preceding Association Conference and the Chairperson of the next ensuing Association Conference. The Executive Committee shall in addition appoint a Conference Director.
40. The duties of the Chairperson consist of:
- (a) presiding over sessions of the Association Conference;
 - (b) ensuring that the Association Conference functions efficiently.
41. A Vice-Chairperson designated by the Chairperson acts on behalf of the Chairperson during his or her absence.
42. The Conference Director acts on behalf of the Chairperson when the Chairperson and both Vice-Chairpersons are absent.
43. The duties of the Conference Director consist of:
- (a) coordinating the activities of the Association Conference in accordance with the program envisaged in by-law 29(c) in cooperation with the Secretariat;
 - (b) ensuring secretarial and reproduction work; and
 - (c) keeping the minutes of the Conference which shall be approved by the Association in General Meeting.

PART 7

Association in General Meeting

44. The Executive Committee shall, in accordance with by-law 21, call and conduct a General Meeting of the Association for the purpose of reporting on the work of the Committee, seeking directions from the meeting, conducting necessary elections or amendment of the Association objectives and by-laws, or to approve the minutes of the General Meeting of the Association and to approve the appointment of an independent auditor for the Association as recommended by Executive Committee, and to consider and approve the annual report and audited financial statement of the Association referred to in by-law 47.
45. The Chairperson of the Executive Committee (or in his or her absence, the Vice-Chairperson) shall preside over the General Meeting of the Association.
46. A majority of members attending a General Meeting constitutes a quorum for such a General Meeting of the Association, and decisions are made by the majority of members present at a General Meeting.

PART 8

Annual Report

47. The Secretariat is responsible for the preparation of an Annual Report of the Association, which includes:
- (a) a summary of the activities of the Association during the year;
 - (b) a report of the Association Conference proceedings containing a brief summary of activities, the final reports of workshops, and the list of documents presented during the Conference which are available on request from the Secretariat;
 - (c) the audited financial statements of the Association, which shall cover the period of the Association's financial year extending from 1 January to 31 December of every year;
 - (d) the list of all the members of the Association referred to in bylaw 6.
48. The Annual Report is prepared for the period extending from 1 January to December 31 of every year.
49. A copy of the Annual Report is sent to each member and to each observer.

¹ March 1993 – By-Laws adopted
October 1996 Third Annual Conference, Paris – amended
September 1997 Fourth Annual Conference, Sydney – amended
October 1998 Fifth Annual Conference, Cancún – amended
December 1999 Sixth Annual Conference, San Francisco – amended