

October 9, 2013

12 months on, GFIA is setting the pace

The Global Federation of Insurance Associations (GFIA) has hit the ground running since its establishment 12 months ago, with 10 working groups and 20 position papers focused on a raft of common issues that affect the insurance industry.

As a founding member and active contributor to these working groups and papers, the Insurance Council of Australia (ICA) is pleased GFIA is positioning itself as the international industry voice on a broad range of issues.

These include natural disasters, the systemic risk debate, ComFrame, market conduct, trade issues and initiatives on financial inclusion and anti-money laundering.

ICA CEO Rob Whelan said: "Our participation in GFIA is helping us enormously in terms of leveraging our advocacy efforts on these important international issues.

"In turn, we are able to tap into GFIA for the benefit of our members and give them a worldwide view of what's happening in the industry."

Mr Whelan said the ICA had directly contributed to the following GFIA Working Groups: Natural Catastrophes, ComFrame, Systemic Risk, Market Conduct, Trade and Financial Inclusion. The ICA had direct input into key insurance issues raised in letters to hosts of the G-20 Summit.

- In June, Mr Whelan gave a keynote presentation on insurer responses to flooding in Australia at a specially convened workshop held in Rome by **GFIA's Natural Catastrophe working group**. The workshop focused on the exploration of disaster risk management related to earthquakes and floods, with other presentations from Japan and Chile on earthquakes and the UK on floods
- Over the past 12 months, GFIA's **ComFrame working group** has raised a number of concerns about ComFrame (the common framework for the supervision of international insurance groups) introducing a new prudential layer of regulation rather than guidance, and that new regulatory hurdles may have unintended competitive consequences
- GFIA's **Systemic Risk working group** met with the G-20 Russian Presidency and the Central Bank of Russia to discuss systemic risk. This led to the Russian Presidency highlighting the importance of a targeted approach in insurance as a follow-up to the G-20 meeting of finance ministers. On the policy front, the working group has urged an alternative approach to policy measures advocated by the International Association of Insurance Supervisors for insurance

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- GIFA's **Market Conduct working group** has been working on a number of papers including an issues paper on policyholder protection schemes and an application paper on approaches to the supervision of conduct of business. It has also examined cross-sectoral point of sale disclosure standards and provided guidance on three of the high level principles on financial consumer protection (disclosure and transparency; responsible business conduct; and complaint handling and redress)
- Via its **Trade working group**, GFIA has advocated with Asian authorities the benefits of lifting restrictions of foreign capital in insurance joint ventures. This is leading to the successful resolution of restrictions on foreign participants in joint ventures in the region. The working group also coordinated GFIA comments on an OECD Trade Survey planned for the end of 2013 which had multiple flaws in the insurance section
- Under the auspices of GFIA's **Financial Inclusion working group**, the ICA has formed a Financial Inclusion Committee in Australia to develop the industry's position and engagement strategy on domestic and international financial inclusion issues, including micro-insurance and financial literacy. On the global front, the working group has established a relationship with the Financial Inclusion sub-committee of the International Association of Insurance Supervisors (IAIS).

Ahead of the recent **G-20 summit** held in Russia, GFIA issued a [letter](#) to the Russian G-20 Presidency highlighting the important role the insurance sector plays in stimulating long-term economic growth and setting out insurance-related issues that it feels should be explicitly referenced in the St Petersburg action plan.

These included:

- A tailored approach to insurance regulation
- The encouragement of risk-based regulatory frameworks that consider the long-term nature of insurance liabilities
- A careful review of the impact of new rules on derivatives
- Strengthening commitments against the introduction of new trade barriers.

In GFIA's inaugural [annual report](#), GFIA chairman, Frank Swedlove, writes that the international regulation of insurance is at a key point in its evolution: "For the first time, international capital standards are being discussed and the ComFrame framework for internationally active companies is taking shape. The industry must be ready to speak clearly and responsibly on these issues."

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BACKGROUND

[GFIA](#) is a non-profit association established to represent national and regional insurance associations that serve the general interests of life, health, general insurance and reinsurance companies and to make representations to national governments, international regulators and others on their behalf. Established on October 9, 2012, GFIA aims to increase industry effectiveness in providing input to international regulatory bodies and to contribute more effectively to the international dialogue on issues of common interest.

GFIA MEMBER ASSOCIATIONS

All Russian Insurance Association (ARIA)
American Council of Life Insurers (ACLI)
American Insurance Association (AIA)
America's Health Insurance Plans (AHIP)
Association for Savings and Investment of South Africa (ASISA)
Association of Bermuda Insurers and Reinsurers (ABIR)
Association of British Insurers (ABI)
Association of Mexican Insurance Companies (AMIS)
Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE)
Association of Spanish Insurers (UNESPA)
Brazilian Insurance Confederation (CNseg)
Canadian Life and Health Insurance Association (CLHIA)
Chilean Insurance Association (AACH)
Dublin International Insurance & Management Association (DIMA)
Dutch Association of Insurers (VvN)
Federación Interamericana de Empresas de Seguros (FIDES)
Financial Services Council of Australia (FSC)
French Federation of Insurance Companies (FFSA)
General Insurance Association of Japan (GIAJ)
German Insurance Association (GDV)
Insurance Bureau of Canada (IBC)
Insurance Council of Australia (ICA)
Insurance Europe
Insurance Ireland
International Underwriting Association of London (IUA)
Italian Association of Insurance Companies (ANIA)
Korea Life Insurance Association (KLIA)
Life Insurance Association of Japan (LIAJ)
National Association of Mutual Insurance Companies (NAMIC)
Polish Insurance Association (PIU)
Portuguese Association of Insurers (APS)
Property Casualty Insurers Association of America (PCI)
Reinsurance Association of America (RAA)
South African Insurance Association (SAIA)
Swiss Insurance Association (ASA/SVV)

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