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International Association for the
Study of Insurance Economics

Press Release

Information on Geneva Association activities and publications

**Geneva
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Information
Newsletter**

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Survey among insurance experts reveals fear of over-regulation

On 6-7 April 2009, over 70 senior insurance experts and professionals from all over the world gathered in Montreux, Switzerland, at the occasion of the 25th anniversary of The Geneva Association's research programme on regulation, supervision and legal issues (PROGRES). Among the keynote speakers were Peter Braumüller, Chairman of the International Association of Insurance Supervisors (IAIS), and Roger Sevigny, President of the National Association of Insurance Commissioners (NAIC) in the U.S.

Forty-six meeting participants agreed to take part in a special survey on the future of insurance regulation and supervision, among them 15 heads of supervisory and regulatory authorities.

Key survey results:

- 80 per cent of surveyed experts expect the regulatory burden for the insurance industry to increase in the future.
- More than 67 per cent believe that the global financial turmoil threatens to lead to over-regulation of the insurance industry.
- 71 per cent of survey participants expect more protectionist behaviour to affect international insurance business
- There was widespread agreement (83 per cent) that the insurance industry should be more forceful in public debates on regulatory topics.
- Opinions were divided whether new regulation will lead to a change in the competitive position of insurance vis-à-vis other financial services players: 46 per cent expect the competitive landscape to change, 22 per cent do not, and 32 per cent don't know.
- A majority of experts (57 per cent) expect the future prospects of bancassurance to be negatively impacted by the global financial turmoil.
- When asked which areas needed more strict regulations, most experts mentioned accounting rules as the foremost area in need of overhaul.

Patrick M. Liedtke, the Secretary General and Managing Director of The Geneva Association comments: *"The survey results reveal that over-regulation is a real threat scenario for the insurance industry, a concern shared by some regulators and supervisors. It was also interesting to note that survey participants chose accounting as the foremost area in need of overhaul, an area that is regarded by some observers as a contributing factor to the financial crisis while others*

deplore the misalignment between the accounting picture and the economic reality at insurance firms. Further, the looming revival of protectionist tendencies could negatively impact the global integration and growth of insurance operations.”

Jan Monkiewicz, Vice Secretary General of The Geneva Association and Head of PROGRES, remarks on the event: *“The 25th anniversary meeting of PROGRES saw the participation of pre-eminent regulatory and supervisory leaders and experts from Europe, the U.S., Asia and Latin America, including the Chairpersons and/or Vice Chairpersons of the IAIS, NAIC and CEIOPS (Committee of European Insurance and Occupational Pensions Supervisors). This platform has clearly developed into a leading expert forum on insurance regulatory and supervisory issues.”*

The complete and detailed survey results are available at
<http://www.genevaassociation.org/PDF/Progres/Questionnaire.pdf>

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About The Geneva Association

The International Association for the Study of Insurance Economics (“The Geneva Association”) is a unique global organisation formed by a maximum of 80 chief executive officers (CEOs) from the world’s most important insurance companies. The Geneva Association’s main goal is to research the growing importance of worldwide insurance activities for economic growth and societal progress.

The Geneva Association also acts as a forum for its members, providing a worldwide unique platform for the top insurance CEOs to exchange ideas and discuss key strategic issues. It also organises platforms for member companies’ chief financial officers, chief risk officers, chief economists and chief communication officers. It is a non-profit organisation based in Geneva, Switzerland.