



International Association for the  
Study of Insurance Economics

# Études et Dossiers

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Layout & Distribution: Valéria Kozakova

# Work of the FSI in Building Supervisory Capacity

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FINANCIAL STABILITY INSTITUTE  
BANK FOR INTERNATIONAL SETTLEMENTS

## Financial Stability Institute


- Jointly created by the Bank for International Settlements and the Basel Committee for Banking Supervision in 1999
- Co-operation with the International Association of Insurance Supervisors since 2002
- Assist supervisors around the world in improving and strengthening their financial systems



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## Objectives and means

- Promote sound standards and practices and their global implementation
- Provide supervisors with the latest information on market products, practices and techniques
- Objectives achieved primarily through global and regional seminars
  - Ca 10 insurance events/year
  - Target: senior supervisors or technical experts




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## Programme content

- On demand
  - Regional needs (Central and Eastern Europe, Central Asia and Transcaucasia, Asia, Middle East and North Africa, Africa and Latin America)
- Identified gaps/deepened knowledge
  - Risk management practices
  - Risk-based supervision
  - Reinsurance
- Develop strategies to fit supervisory needs
  - Special event for senior supervisors-to-be
- Forum for discussion
  - Senior Round Table

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## Risk Management Practices

- Risk Management Seminar (2001-2006)
  - 48 jurisdictions (25 that apply or will apply EU legislation)
  - Participation: 16-25 (max 25)
- Advanced Risk Management Seminar (2004-2007)
  - 47 jurisdictions (20 EU related)
  - Participation: 18-30 (stipulated max 25)
- Number of jurisdictions participating to date: 64 (Albania, Armenia, Australia, Austria, Bahrain, Belgium, Bermuda, Brazil, Chile, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Ghana, Gibraltar, Guernsey, Greece, Guatemala, Hong Kong SAR, Hungary, Italy, India, Ireland, Israel, Jordan, Kazakhstan, Kenya, Korea, Latvia, Lesotho, Lithuania, Luxemburg, Macao SAR, Malaysia, Mauritius, Mexico, Morocco, Namibia, Netherlands, Netherlands Antilles, Norway, Peru, Philippines, Poland, Portugal, Romania, San Marino, Saudi Arabia, Serbia, Singapore, Slovakia, Sultanate of Oman, Sweden, Switzerland, Taiwan, Thailand, Turkey, Turks and Caicos Islands, Ukraine, United Arab Emirates, United Kingdom, Uruguay)

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## Senior supervisors-to-be

- Mid-level supervisors with a potential to rise to senior positions
- Need to know + group work on identified problem areas
- Action plan:
  - 2005: suitability and corporate governance, group-wide supervision, reinsurance, prudential supervision
  - 2006: risk-based supervisory practises, solvency requirements, corporate governance and market conduct, cross-border supervision
- Participation: 25 (max 25)
- Number of jurisdictions participating to date: 44 (Australia, Bahrain, Belgium, Czech Republic, Estonia, Finland, The Gambia, Germany, Ghana, Gibraltar, Guernsey, Jamaica, Japan, Jersey, Jordan, Korea, Labuan, Latvia, Leichtenstein, Lithuania, Macau SAR, Malaysia, Malta, Mauritius, Morocco, Namibia, Nepal, Netherlands, Netherlands Antilles, Norway, Portugal, Qatar, Romania, Russia, Singapore, Slovakia, Sri Lanka, Sultanate of Oman, Taiwan, Thailand, Trinidad and Tobago, Turkey, United Kingdom, Uruguay)

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## Senior Round Table

- Dialogue between targeted senior supervisors and industry representatives on issues of topical interest (by invitation only)
- 2003: Is there a need for better risk management practices in the insurance industry?
- 2006: Should a risk-based solvency regime allow for diversification benefits and capital mobility?

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## Challenges in organising seminars

- How to reach out and motivate supervisors to invest in training on a regular basis
- How to get the *right* participants
  - Training strategy of supervisory authority
  - Prerequisites to attend
  - FSI Connect for insurance?
- How to convey knowledge to a wider audience
  - Follow-up requirements and reporting
- How to stay topical and in the forefront
  - Where to find the information and how to absorb it
  - What *new* topics to introduce/*old* topics to discontinue