

# General Assembly 2019

## Key messages

29–31 May 2019, Buenos Aires

July 2019



---

*July 2019*

*General Assembly 2019 – Key messages*

*Cover page: Welcome address by Alejandro  
Simón, CEO of Grupo Sancor Seguros.*

*Photo credits: Borde Chino*

*© The Geneva Association*

*Published by The Geneva Association –  
International Association for the Study  
of Insurance Economics, Zurich.*

# Introduction

Discussions at The Geneva Association's 46th Annual General Assembly, held 29–31 May 2019 in Buenos Aires, pointed to abundant opportunities for the re/insurance industry to demonstrate its core purpose: to help people and businesses face the burden of unexpected risks and help economies and societies prosper.

The insurance industry is indispensable to helping customers mitigate the effects of climate change. Through its investments and public-private partnerships, the industry can mobilize billions of dollars' worth of long-term investments in critical infrastructure and clean energies. The industry is also at the vanguard of helping customers understand and manage cyber risks and finding insurance solutions to cyberwarfare and cyberterrorism.

However, insurers have to overcome low levels of customer trust. Delving into the behavioral economics side of buying insurance provides a roadmap for insurers to serve customers better. Further, insurance companies and customers alike have a lot to gain if insurers are responsible and transparent in how they use and protect customer data.

The Geneva Association will take forward the issues discussed at the General Assembly in two ways. First, its research fills critical knowledge gaps. Second, the GA's convening power helps unify the industry's voice and efforts to influence policymakers in the right direction. In cooperation with its members, the GA can play an important role in helping the industry reach its full potential to create a better world.

## STATUTORY ASSEMBLY

# The Geneva Association: Refreshed purpose, identity and research agenda

The Geneva Association is changing. Following several months of debate, analysis and consultation, the GA Secretariat presented a plan to revitalise the organisation with a new governance model, which was approved by the Statutory Assembly, and a refreshed purpose, identity and work program. Over the next few months, the GA will give life to this mandate through a revamped research agenda.

### \1 Improved governance

The organisation's new governance model has three key objectives:

- 1\ Set up the Association for speed and clarity of direction
- 2\ Ensure stability of governance over time, in particular during times of change/succession
- 3\ Ensure transparency in processes and decision making

The new governance model has five key points:

- 1\ The General Assembly elects the Board members, the Treasurer and the Auditor
- 2\ The Board appoints the Chairman, the Vice-chairmen and the other members of the Executive Committee (maximum of two)
- 3\ The Executive Committee is responsible for identifying and proposing candidates to fill Board of Directors and Executive Committee vacancies
- 4\ The Board appoints the Managing Director (formerly Secretary General)
- 5\ The Board elects new members

### \2 Revised mission statement

The following mission statement captures the GA's core focus going forward:



*Christian Mumenthaler, Group CEO, Swiss Re; Charles Brindamour, CEO, Intact Financial Corporation; Jad Ariss, Managing Director, The Geneva Association; Nick Nagano, President and Group CEO, Tokio Marine*





GA members vote at Statutory Assembly

The Geneva Association is the only global association of insurance companies; its members are insurance and reinsurance CEOs.

Based on rigorous research conducted in collaboration with its members, academic institutions and multilateral organizations,

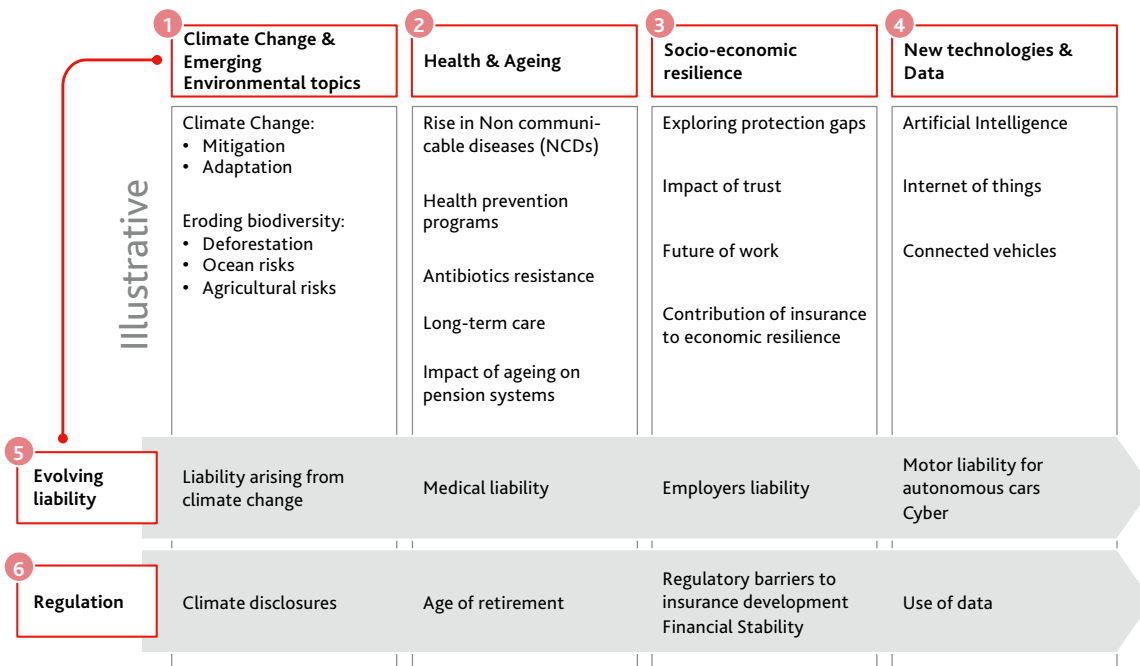
The Geneva Association:

- identifies and investigates key trends and risk areas that are likely to shape or impact the insurance industry in the future, highlighting what is at stake for the industry;
- develops recommendations for the industry and for policymakers (the “so what” of the research);
- provides a platform to its members, policymakers, academics, multilateral and non-governmental organisations to discuss these trends and recommendations;
- reaches out to global opinion leaders and influential organisations to highlight the positive contributions of insurance to a better understanding of risks and to building more resilient and prosperous economies and societies – in both developed and emerging countries – and thus a more sustainable world.

### 13 New GA tagline

Members in attendance selected ‘Insurance for a better world’ as The Geneva Association’s new tagline. Following the General Assembly, the GA released a corresponding logo design:





#### \4 Revamped research streams

The Geneva Association's new research framework reflects the evolving needs of stakeholders, its organisational capacities and strengths and takes into account the increasing intersections among topics (see graphic above).

#### \5 Stronger member engagement

Members will have the opportunity to appoint within their company a 'Geneva Association correspondent', whose role will be to facilitate the company's year-round engagement with the GA, between General Assemblies.



*"A first order of business for me as new Chair was to work on the mission and the strategic priorities of the organisation."*

Charles Brindamour, CEO, Intact Financial Corporation and Chairman, The Geneva Association



*"A new pillar of our mission is to highlight the positive contributions of the insurance industry to customers, to economies, to societies – and thus to a more sustainable world."*

Jad Ariss, Managing Director, The Geneva Association

## PANEL SESSION 1

## Cyberterrorism and Cyberwarfare: Convergence of Technological Advancements and the Evolution of Risks

**V1** Cyber is a dire threat to insurers. It's a 'hot' – not 'cold' – war, where collateral damage is desired by perpetrators. It's hard to quantify its accumulation potential. Traditional risk management practices do not necessarily apply. The interconnectedness of technologies already represents a problem, and AI could raise the severity of the threat, as it gives attackers much more power.

**V2** It is difficult to measure the cyber protection gap because the market might not be mature enough on the demand side. Customers need to better understand cyber risks, particularly cyber warfare and cyber terrorism, and re/insurers need to think about how to make cyber insurance more compelling for customers.

**V3** Today it is important to distinguish between cyber terror and cyber war, as this has an impact on what is covered or not by insurance. However, insisting on war exclusion does not seem to be the way forward, as determining attribution of the event is very different. The most probable outcome of war exclusions is endless legal battles, which would be damaging to the relationship between insurers and their clients and further deteriorate the reputation of the industry.

**V4** A new approach could be to start building pools of cyber plans in specific markets and/or industries, made up of participating companies, which would share a common cyber insurance program covered by a consortium of re/insurers. Such a pool would include both an insurance cover and a comprehensive resilience plan made up of precise measures in technology, education and cooperation between participating companies, making them more resilient against attacks. The implementation of these measures would be both audited and enforced (non-compliance resulting in reduced insurance cover). An important part of the cooperation between the companies in such a pool would be near real-time information sharing on breaches with predefined reaction protocols



*Pawel Surówka, President of the Management Board and CEO, PZU; Michael Coden, Head of Cyber Security Practice, BCG Platinion; Ariel Levite, Senior Fellow, Carnegie Endowment for Peace; Douglas Wise, Former Deputy Director of the Defense Intelligence Agency of the U.S.; Julian Enoizi, CEO, Pool Re*

that would help prevent spillover effects. The pool of companies (for example all financial groups in a given market) would both help in writing more comprehensive covers and represent a solid basis for entering into discussions with the respective nation states for potential backstop instruments which could help mitigate aggregation risk.

---

### 'SO WHAT' FOR THE INSURANCE INDUSTRY / THE GENEVA ASSOCIATION

**V5** The insurance industry is poised to lead, through leveraging the insureds, the private sector in improving overall cyber resilience. It can benefit society as a whole by motivating its customers to practice good cyber hygiene, protecting large segments of the economy and hence consumers – before governments institute cyber regulations. This could help improve the overall perception of the industry.

**V6** The Geneva Association could leverage its leadership and set up a working group to drive the industry's thinking and cooperation, potentially leading to a pilot project.



## PANEL SESSION 2

# Ethics of New Technologies



Dean A. Connor, President and CEO, Sun Life Financial;  
Santiago Bilinkis, Founding Partner, Quasar Builders;  
Maurice Tulloch, CEO, Aviva; Stephan Binder, Senior Partner,  
McKinsey & Company

- \1 Technology companies often know more than their customers about technology's capabilities to monitor and influence customer behavior. There is huge value in data for both companies and consumers, but a massive conflict of interest – where one can use data 'against' the other – needs to be resolved.
- \2 Trust in the insurance industry is increasingly about data, and companies need to be more transparent with clients about how their data are being used. That means drawing the line between what is 'ok' and what is 'creepy' and then respecting it.

- \3 As 'hyper personalized' risk pricing and assessment becomes a bigger issue, insurance companies will be asked to demonstrate that their pricing regimes are fair and reasonable for customers.
- \4 Insurance companies should be experimenting all the time. They need to protect their core business but also take risks in a controlled manner – they need to 'buy' disruption.

---

### 'SO WHAT' FOR THE INSURANCE INDUSTRY / THE GENEVA ASSOCIATION

- \5 The GA could bring the industry together to design a framework for dealing with data. The GA could look at companies that do exemplary jobs with data consent and data use in order to guide the industry's efforts, e.g. creating a prototype data charter for companies to sign onto should they wish to.



Dean A. Connor,  
President and  
CEO, Sun Life  
Financial



## PANEL SESSION 3

## Nudging Human Behaviour &amp; the New Trust

- 1 Insurance is anti-magnetic: it has no natural attraction for people to buy it. One possible reason for this may be a (sometimes irrational) preference for avoiding a short-term loss (premium payment) over obtaining a long-term uncertain benefit (claim payment).
- 2 Consumers do not trust insurance companies and agents. A survey of 7,000 people revealed that only 21% of people trust insurance companies and only 25% trust agents. This trust is contingent on the industry's
  - abilities and competences
  - integrity
  - reliability
  - sense of purpose



*Christian Mumenthaler, Group CEO, Swiss Re; Antoine Harary, Global Managing Director, Edelman Intelligence; Francesca Tamma, Behavioural Research Manager, Vice President, Swiss Re; Shlomo Benartzi, Professor of the Behavioural Decision-Making Group, UCLA; Roy Gori, CEO, Manulife*

### 'SO WHAT' FOR THE INSURANCE INDUSTRY / THE GENEVA ASSOCIATION

- 3 In order to build customer trust, insurers need to adopt clear and transparent communication, help educate consumers, emphasize human empathy in their interactions with consumers, deliver on their core promises and do what is just and fair, not only what is legally required.



*Antoine Harary,  
Global Managing  
Director, Edelman  
Intelligence*

## PANEL SESSION 4

# Geopolitics: the New Dynamics



*Michael D. Rich, President and CEO, RAND Corporation;  
Brian Duperreault, President and CEO, AIG*

- \1 The industry is very fond of 'top-10 risks' lists, but such risk identification methods tend to disregard risk interconnections. Risks and uncertainty are rising today, stemming from known and unknown dangers, a loss of trust in institutions, moves to 'de-multilateralise' the geopolitical order and the diminished role of facts and analysis in public life.
- \2 Tensions between the U.S. and China have great implications for countries around the world and the potential to completely reshape alliances. This is particularly true in the Southern hemisphere, where countries may feel pressure to 'choose sides'.
- \3 Although the world is not at war today under the commonly accepted definition of war, norms and rules are being disrupted, causing uncertainty and insecurity and, in turn, heightening the risk of war.

- \4 Industry leaders have a responsibility to insist that public decisions are made based on facts and the best possible evidence. In its relentless search for more data, the re/insurance industry stands out as a gatekeeper of credible information.
- \5 People today are more concerned about issues like climate change, terrorism and migrations than they are about geopolitics. Re/insurers should assess and understand their customers' concerns to inform insurance product design.

---

### 'SO WHAT' FOR THE INSURANCE INDUSTRY / THE GENEVA ASSOCIATION

- \6 The Geneva Association should continue conducting fact-based analysis to inform stakeholders – insurers, policy makers – and public opinion.



*Brian Duperreault, President and CEO, AIG; Michael D. Rich, President and CEO, RAND Corporation; Mariano Turzi, Professor, University Torcuato Di Tella; J. Peter Burgess, Professor and Chair of Geopolitics, ENS Paris; Ambassador Alan Wm. Wolff, Deputy Director General, World Trade Organization (WTO)*

## PANEL SESSION 5

## Climate Change &amp; Infrastructure



*Tsuyoshi (Nick) Nagano, President and Group CEO, Tokio Marine; Guillermo Plate, Deputy Superintendent of Insurance, Argentina; Nathaniel Bullard, Global Head of Executive Insights & Content Strategy, Bloomberg New Energy Finance; Fiona Cousins, Arup Fellow and Group Board Member, Arup; Denis Kessler, Chairman and CEO, SCOR*

- 1 Climate change affects the design of infrastructure in several ways, notably: decarbonisation (GHG emission control) and asset resilience (long-term sustainability for operations continuity and/or human safety).
  - 2 In Latin America, the insurance sector started participating late in climate-risk mitigation strategies. The region's exposure will only grow as urbanisation develops, and the industry should support public policy that helps prepare for extreme events in the region.
  - 3 The re/insurance industry could create a strong narrative on how it looks today at its own portfolio of long-term climate resilient assets (compliant with ESG criteria).
  - 4 Insurers and governments need to work in complementarity. Insurers bring data knowledge, modelling capabilities, disaster response to help communities, risk-sharing solutions and more. Governments need to create robust building codes, embrace holistic risk management across government entities and ensure sound governance.
- 
- 'SO WHAT' FOR THE INSURANCE INDUSTRY / THE GENEVA ASSOCIATION**
- 5 The GA's research could promote to policymakers what insurers can do in terms of climate change mitigation and infrastructure investments and provide a framework for insurers-government partnerships.



## KEYNOTE SPEECH

### Ambassador Alan Wm. Wolff, Deputy Director General, World Trade Organization (WTO)



Ambassador Alan Wm. Wolff, Deputy Director General, World Trade Organization (WTO)

\1 Since 1995 (when the WTO was created), the WTO and the multilateral trading system have contributed to tripling the volume of world merchandise trade and almost tripling the value of world GDP. Now trade restrictions and weak economic growth are putting downward pressure on trade flows.

\2 The founders of the post-World War II international economic world order believed that integrating people into the world economy through global economic agreements helps maintain peace. This system is now under threat by three primary risks: 1) increasing trade restrictions, 2) decline of trust and 3) a lack of consensus on how best to serve WTO members' interests.

\3 There is also a gap in traditional leadership in the multilateral trading system. For 70 years the U.S. has promoted the liberalization of trade and been the driving force behind it; today the momentum toward liberalization has stopped.

---

#### **'SO WHAT' FOR THE INSURANCE INDUSTRY / THE GENEVA ASSOCIATION**

\4 There are increasing regulatory constraints on data localisation, making data storage and treatment more costly. The Geneva Association could analyze how regulations on the free movements of data across borders might impact the insurance industry and thus help the industry position itself. The industry could be active in trying to limit regulatory interference and influence future WTO agreements on this.

## KEYNOTE SPEECH

## Yoshihiro Kawai, Chair, Insurance and Private Pensions Committee, OECD



*Yoshihiro Kawai, Chair, Insurance and Private Pensions Committee, OECD*

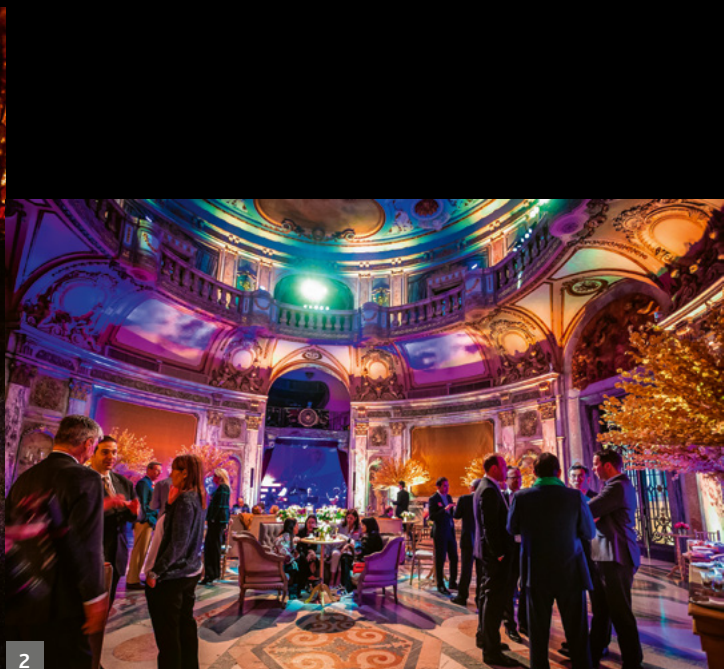
- 1 Insurance is one of the least trusted industries, and insurance companies need to amplify the industry's mission: to support the well-being and welfare of society.
- 2 Much headway has been made toward financial stability, and now governments expect the insurance industry to work together to promote development, sustainable growth and inclusive societies.
- 3 Societies also demand that companies play a more social role than ever before. One third of the work force is millennials, and two thirds of them think companies' purpose is to contribute to improving societies.

---

### 'SO WHAT' FOR THE INSURANCE INDUSTRY / THE GENEVA ASSOCIATION

- 4 Three key areas insurance should focus on as a mission-driven industry: 1) the protection gap, including micro-insurance, 2) climate-focused financial disclosures, which are key to making progress on climate change and 3) ethics – with new technologies and AI, it's more important than ever for people to understand what insurance companies are doing with data.
- 5 The Geneva Association has a responsibility to make it clear that the industry's mission is to serve people and societies.







# Social Programme



7



8

**CÍRCULO MILITAR** 1\ 2\ Welcome cocktails, 29 May 2019  
**CENTRO CULTURAL KIRCHNER (CCK)** 3\ 4\ Gala dinner and artistic show, Piazzola and Stravaganza, 30 May 2019  
**TEATRO COLÓN** 5\ 6\ El Corsario ballet, 31 May 2019  
**EL ZANJÓN DE GRANADOS** 7\ 8\ Farewell dinner, 31 May 2019  
**ESTANCIA VILLA MARÍA** 9\ 10\ 11\ Asado lunch and live folk show, Los Potros Malambo, 1 June 2019




9



10



11



**46th Annual General Assembly**  
hosted by Sancor Seguros  
Buenos Aires, Argentina

29–31 May 2019

The Geneva Association – International Association for the Study of Insurance Economics  
Talstrasse 70, CH-8001 Zurich | Tel: +41 44 200 49 00 | Fax: +41 44 200 49 99

[secretariat@genevaassociation.org](mailto:secretariat@genevaassociation.org)