



**Financial Services Commission
Mauritius**

**IAIS Regional Seminar on Strengthening Insurance Supervision and Promoting
Financial Stability (08 – 10 November 2011)**

The IAIS Regional Seminar on “Strengthening Insurance Supervision and Promoting Financial Stability”, jointly organised by the International Association of Insurance Supervisors (IAIS) and the Financial Stability Institute (FSI) was held on 08-10 November 2011 in Mauritius.

Fruitful discussions were held on:

- Macro-prudential surveillance and the role of the regulator and supervisor;
- Supervisory intervention levels and tools, and policyholder protection schemes;
- Supervision of internationally active insurance groups, including the assessment of group-wide solvency;
- Risk management, including stress and scenario testing; and
- Regulation and supervision of captive insurers and reinsurers.

The seminar was attended by 19 participants from Botswana, Ghana, Kenya, Lesotho, Namibia, Pakistan, Seychelles, South Africa, Swaziland and Tanzania. There were also 8 local participants and 4 guest speakers. The guest speakers were:

Mr. Jeffery Yong, Senior Financial Sector Specialist at the Financial Stability Institute (FSI), made presentations on Insurance Core Principles (ICPs) and Global Financial Stability. He discussed the newly revised ICPs including the new ICP on “Macroprudential supervision and market analysis”; he also covered the lessons learned from, and the response of the IAIS to the financial crisis as well as the new financial stability initiatives, including identifying systemically important Insurers.

Mr. Yong also discussed the Supervision of Internationally Active Insurance Groups. He emphasised on the assessment of group-wide solvency and the supervisory treatment of holding companies and other non-regulated entities. The presentation was followed by a case study on “Dealing with Troubled Insurers Being Part of a Group”.

Mr. Marcelo Ramella, Deputy Director, Policy, Research and International Affairs at the Bermuda Monetary Authority, made several presentations, namely on Risk-based Regulation and Supervision (key concepts and issues, approaches specific to the insurance sector, risk-based off-site analysis and on-site inspection), Macroprudential Approaches to Surveillance and Insurance Supervision (experience drawn from the financial crisis with relevance to the insurance sector, call for macroprudential surveillance and why it matters for insurance, carrying out macroprudential surveillance: the case of global reinsurance markets) , and the Regulation and Supervision of Captive Insurers and Reinsurers respectively (Description of the captive industry and Supervisory issues related to captives) respectively.

Ms Gunilla Löfvendahl, Senior Financial Sector Specialist at the FSI, brushed on the Supervisory Intervention Tools and Levels. Her presentation comprised the early intervention indicators and prescribed capital levels, the progressive intervention levels as prescribed by the ICP and exit from the market and policyholder protection schemes. The session was followed by a case study on “Early Identification of Problems and Adequate Supervisory Response”.

Mr. Donovan Hutchinson, Senior Specialist, Solvency Assessment & Management Department, Financial Services Board, South Africa provided an overview of Enterprise Risk Management. He mentioned the Identification, quantification and aggregation of risk, including the use of stress and scenario testing, Setting a risk management policy, including asset and liability management and Managing risk and capital using the Own Risk and Solvency Assessment.