



# Charter



## Access to Insurance Initiative Charter

This Charter establishes and defines the objectives, governance and management of the Access to Insurance Initiative (A2II)- a unique joint initiative between international development agencies and the International Association of Insurance Supervisors (IAIS) with the mission to inspire and support insurance supervisors to promote inclusive and responsible insurance, thereby reducing vulnerability.

The IAIS is the standard setter of the insurance sector and today comprises 200 member insurance supervisory authorities from 140 jurisdictions- the majority from emerging and developing markets. Financial Inclusion is therefore a core priority of the IAIS and its members. The A2II acts as the implementing partner to the IAIS to advance access to insurance and inclusive insurance market developments.

As implementing partner to the IAIS, the A2II supports the implementation of sound regulatory and supervisory frameworks consistent with international insurance standards in emerging and developing market jurisdictions and works to strengthen the capacity and understanding of insurance supervisors in order to facilitate their role in expanding access to, and usage of, insurance for the low-income and other excluded populations.

### 1. Background: Charter Sponsors and Funding Partners

1. The A2II was established by the following organization (collectively the “Charter Sponsors”): the IAIS, BMZ, CGAP, the International Labour Organization, represented by the International Labour Office (ILO), and FinMark Trust, listed in Appendix 1.
2. Entities that provide significant in kind and/or direct financial contributions in support of A2II activities are referred to collectively as “Funding Partners,” and are listed in Appendix 2, which shall be updated to reflect changes. Funding Partners shall not include any insurer, insurance intermediary or private financial institution.

### 2. Purpose and Objectives

3. The purpose of the A2II is to strengthen the capacity of policymakers, regulators, and supervisors seeking to advance insurance market access by promoting sound, effective and proportionate regulation and supervision of insurance markets that will facilitate the growth in availability of insurance products appropriate for the low income consumers.
4. To achieve this purpose, the A2II will pursue the following objectives:
  - a. **Knowledge management:** Generate knowledge on how the regulation and supervision of insurance markets can facilitate the extension of insurance services to low income consumers and the development of inclusive insurance markets generally;
  - b. **Advocacy and outreach:** Disseminate knowledge and build awareness on development of inclusive insurance markets; and.
  - c. **Supervisory support and capacity building:** support insurance regulators and supervisors to develop a regulatory framework and supervisory capacity that enable and promote access to insurance in their jurisdictions.
5. In pursuing these objectives, it is acknowledged that all IAIS standards, guidance and implementation activities are subject solely to IAIS policies, procedures, governance, and decision making.

### 3. Scope of activities

6. A2II shall pursue the following activities, recognising that such activities are dependent on financial resources available to the A2II:
  - a. Generate knowledge and best practices on the regulation and supervision of insurance markets;
  - b. Develop and disseminate information, assessment and training tools and other instruments that foster access to insurance;
  - c. Contribute, as appropriate, to the standard setting activities of the IAIS and support the implementation activities, such as assessment of IAIS standards and translation of IAIS material;
  - d. Analyse, distil lessons and report to stakeholders on the impact of regulatory initiatives on access to insurance;
  - e. Grow expertise in the application of guidance on inclusive insurance;
  - f. Foster awareness and know-how about the role of regulation and supervision in the development of inclusive insurance markets;
  - g. Interact with institutions and/or projects that can assist with or further the realisation of the A2II's objectives; and
  - h. Facilitate support to insurance regulators and supervisors to develop a regulatory framework and supervisory capacity that enable and promote access to insurance in their jurisdictions.

### 4. Governance

#### 4.1 Status

7. The A2II does not have separate legal personality. As such, the A2II cannot enter into legally binding contractual relationships with third parties, nor can it contractually bind the Charter Sponsors or Funding Partners. When the activities of the A2II require entering into legally binding contractual relationships, the Host (as defined in Section 5) shall execute the contract in question in its own name and subject to available funding.

#### 4.2 Governance and management structure

8. The A2II shall be governed and managed through three bodies:
  - a. The **Governing Council**, being the highest decision-making body of the A2II, determines its strategy and provides oversight for all its activities;
  - b. The Governing Council delegates plenary authority to an **Executive Committee** to provide ongoing monitoring of and guidance to the A2II Secretariat, except the responsibilities outlined in Paragraph 12 of Section 4.3 below;
  - c. The **Secretariat**, led by an Executive Director, is responsible for management of the day-to-day operations of the A2II. The Secretariat shall be hosted by the Host (as provided in Section 5 below).
9. The Governing Council shall adopt additional operating procedures as necessary. The A2II shall operate in an open and transparent manner with appropriate administrative due process and governance, while having the ability to maintain information confidential as appropriate.

### 4.3 Governing Council

10. The Governing Council shall consist of at least ten (10) members:

- a. 4 representatives designated by the IAIS;
- b. 1 representative of the IAIS Secretariat;
- c. 1 representative of the Host (as defined in Section 5); and
- d. 1 representative designated by each of the other Charter Sponsors.

11. Members of the Governing Council shall have the option of appointing a proxy from his or her organisation to attend Governing Council meetings on his or her behalf when that member is unable to attend.

12. The responsibilities of the Governing Council include the following:

- a. Setting broad policies and strategic guidance;
- b. Approving the A2II's annual work plan and budget;
- c. Approving procedures and guidelines for approving Funding Partners;
- d. Establishing the Executive Committee;
- e. Setting up and dissolving other Committees;
- f. Inviting input from partner organizations, and inviting observers to its meetings;
- g. Determining as necessary the functions and powers for the Executive Committee and the Secretariat, other than those included in this Charter;
- h. Appointing and/or removing the Secretariat's Executive Director in coordination with the Host (as defined in Section 5) ;
- i. Changing the Host (as defined in Section 5) ;
- j. Approving an operational report to the Charter Sponsors and Funding Partners prepared by the Secretariat at least annually;
- k. Approving an annual report on the activities of the A2II which shall be made publicly available;
- l. Appointing an external auditor and determining its terms of reference;
- m. Amending this Charter (pursuant to Section 8 below);
- n. Approving additional members to the Governing Council;
- o. Deciding on the termination or extension of the existence of the A2II; and
- p. Deciding on any other matter governing the business and affairs of the A2II put before them by the Executive Committee.

13. The Governing Council shall elect a Chairperson from amongst the members designated by the IAIS pursuant to paragraph 10 of this Section above. A Vice Chairperson shall also be elected by the Council. The Chairperson and Vice-Chairperson shall serve for a two-year term and can be re-elected. The Vice Chairperson shall carry out the functions of the Chairperson if he or she is unable to attend or perform the duties of Chair at a meeting of the Governing Council.

14. The Governing Council shall meet in person at least once a year and may meet through other means as it deems appropriate (such as telephone or video conference or a combination). Meetings of the Governing Council shall be scheduled and take place in an open and transparent

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manner.

15. In order to make decisions, a quorum of at least six (6) Governing Council members (or their proxy) must be present and must include at least one member who represents the IAIS, one member who represents the Host (as defined in Section 5) and one other Charter Sponsor contributing to the Annual Budget. The Governing Council shall strive to make decisions by consensus. However, if consensus cannot be reached, a decision on strategic directions may be made by a two-third majority of members present and voting at a meeting where a quorum is present. In case of a tie, the person serving as Chair of the meeting shall cast the deciding vote. The Governing Council may also make decisions through a written process which allows for adequate notice and procedure.

### 4.4 Executive Committee

16. The Governing Council shall establish an Executive Committee which shall consist of at least five (5) voting members:
  - a. 3 representatives designated by the IAIS;
  - b. 2 representatives designated by other Members of the Governing Council, ; and
  - c. Executive Director of the A2II Secretariat as a non-voting member.
17. The Governing Council may increase or adjust the membership of the Executive Committee at its discretion, provided that IAIS continues to constitute a majority of voting members.
18. The Chairperson of the Executive Committee shall be elected by the Executive Committee from among the IAIS representatives on the Executive Committee. A Vice Chairperson may also be elected by the Executive Committee.
19. The Executive Committee shall provide ongoing monitoring and guidance for the day-to-day activities of the A2II. In particular, the Executive Committee shall:
  - a. Guide the Secretariat's management of the day-to-day activities of the A2II;
  - b. Report back to the Governing Council on actions taken;
  - c. Serve as a sounding board for the Secretariat on emerging issues, problems, and projects;
  - d. Invite input from partner organizations;
  - e. Assist with the securing of funding for projects to be undertaken by the A2II; and
  - f. Conduct any other functions not reserved for decision by the Governing Council pursuant to Paragraph 12 of Section 4.3.

### 4.5 Secretariat

20. The Secretariat shall act in accordance with the instructions of and be accountable to the Governing Council and the Executive Committee. The Host is only liable subject to respective financing agreements. The Secretariat shall be directed by an Executive Director appointed by the Governing Council. The Executive Director and any other Secretariat personnel are employees of the Host (as defined in Section 5) and subject to its personnel rules and procedures.
21. The functions of the Secretariat are funded by:

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- a. The in-kind contributions of the Charter Sponsors and the Host of the A2II; such contributions shall be provided in line with the rules, regulations, procedures and directives of the Charter Sponsor or Host in question and be subject to separate agreement with A2II for that purpose;
  - b. A percentage of funding received from Funding Partners for projects to be implemented under A2II; and
  - c. Funding from Charter Sponsors or Funding Partners dedicated specifically for the A2II Secretariat.
22. Only when the Governing Council and the Host have agreed that adequate funding is available to cover the costs of the Secretariat, both for its personnel and operations, may the Secretariat undertake its activities.
23. The Secretariat will be responsible for the day-to-day management of the A2II. In particular, the Secretariat will:
- a. Develop the strategy, work plans, operating procedures and budget for the A2II, for approval by the Governing Council;
  - b. Develop, coordinate and administer A2II projects, for approval by the Executive Committee;
  - c. Undertake procurement and negotiations on behalf of the A2II in keeping with the procedures of the Host (pursuant to Section 5 below);
  - d. Provide for financial management, administration, monitoring, and evaluation of projects;
  - e. Coordinate with the Host on activities covered by the hosting arrangement (pursuant to Section 5 below);
  - f. Liaise with stakeholders (including Charter Sponsors, Funding Partners, Consultative Forum and other relevant organisations or regional associations);
  - g. Delegate responsibility of particular tasks, or projects to a Charter Sponsor, Funding Partner or other organisation based on mutual agreement and in consultation with Executive Committee;
  - h. Report to the Governing Council and Executive Committee; and
  - i. Provide logistical and administrative support to the Governing Council and to the Executive Committee.

### 5. Hosting arrangement

24. Until otherwise decided by the Governing Council, GIZ will host the Secretariat of the A2II (the "Host"). This shall include the following:
- a. Acting as the representative for the A2II for the purposes of contracting and/or other legal actions, in accordance with the Host's processes and procedures;
  - b. Providing office space to the Secretariat;
  - c. Providing administrative and financial management support services to the A2II, such as:
    - Procuring goods and services on behalf of the A2II (in accordance with the Host's procurement rules, guidelines and procedures);
    - Keeping financial records and ledgers, separate from the records of the Host's other activities, for the operations of the A2II within the Host's financial management systems; and
    - Providing other back office functions for the A2II as may be requested from time to time.

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25. Charter Sponsors or Funding Partners wishing to provide funds or other support to the A2II should provide them directly to the Host on the basis of separate agreements in accordance with the Host's processes and procedures. The Host shall place these funds in a separate account line for the A2II.
26. In the event that GIZ is no longer able or willing to function as the Host, the Governing Council shall seek an alternative host to perform these functions. GIZ will function as the Host until the succeeding host is designated by the Governing Council. GIZ would be required to transfer all records, files, funds and any other A2II property, including intellectual property to the new Host in a timely manner.

### **6. Partnering arrangements**

27. The A2II shall seek partnerships with relevant organizations that will advance the A2II objectives and strengthen its external relationships.

### **7. Term and Dissolution**

28. The Charter Sponsors established A2II to operate for a term of up to seven (7) years, starting on 20-10-2009, the date upon which all Charter Sponsors signed the original Charter. This term may be reduced or extended by amendment of this Charter by the Governing Council (pursuant to Section 8).
29. Should the A2II be dissolved before all of the funding held by it is expended, the Governing Council shall decide, after consideration of any unsatisfied commitments and liabilities and obligations undertaken in agreements with Funding Partners and other parties, either to return the remaining funds to their original source or to transfer the funds to another institution pursuing similar goals to that of the A2II.
30. A Charter Sponsor may terminate being a Charter Sponsor by providing three months notice in writing to the Secretariat. Any financial obligations it may have towards the A2II will remain unaffected by the termination.

### **8. Amendment**

31. This Charter can be amended by a two-thirds majority decision of the Governing Council, provided that members of the Governing Council have received at least 30 days written notice of such an intended amendment. The notice period may be waived with the agreement of all the members of the Governing Council.

### **9. Responsibility and liability of Charter Sponsors and Funding Partners**

32. The Charter Sponsors will fund their own participation in the governance and advisory functions of the A2II from their own resources.
33. The A2II shall only pursue its activities within the resources made available to it. The A2II shall not enter into any contract or other financial obligation or agreement until the estimated funding required is received by it or otherwise guaranteed by the party providing the funding.



34. The Charter Sponsors shall not be individually or collectively liable to proceed with activities that are not initiated or intended to be initiated in accordance with this Charter nor shall they be responsible for any other liabilities of the A2II (except in the case of liabilities undertaken as the Host pursuant to Section 5).

## **10. Intellectual Property; Acknowledgment of Charter Sponsors and Funding Partners**

35. When intellectual property is developed in the course of A2II activities, the Host on behalf of the A2II shall be named as the copyright or trade- or service mark owner of such material, unless another arrangement is agreed to by the Governing Council in accordance with this Charter. Charter Sponsors shall have an unlimited, royalty free license to use the material copyrighted on behalf of the A2II.

36. The Governing Council shall adopt policies and procedures governing the appropriate acknowledgment of Charter Sponsors, Funding Partners, and others in connection with the activities and work products of the A2II.

## **11. Dispute Settlement and Immunities**

37. The Charter Sponsors agree to use their best efforts to settle amicably any dispute, controversy or claim arising out of or in connection with this Charter or the interpretation thereof.

38. Any dispute, controversy or claim between two or more Charter Sponsors which cannot be settled amicably within sixty (60) days shall be settled by arbitration in accordance with the United Nations Commission on International Trade Law Arbitration Rules (UNCITRAL). The Charter Sponsors agree to be bound by any arbitration award rendered in accordance with this provision as the final adjudication of any dispute.

39. Nothing in this Charter or relating thereto shall be construed as constituting a waiver of the privileges and immunities enjoyed by any of the Charter Sponsors.

## **12. Signatories to the Charter**

40. Signatories agreed to the content and intentions under the original Charter, as documented in Appendix 3.