

# A2ii-IAIS Consultation Call webinar series on the coronavirus (COVID-19) pandemic and implications for insurance supervisors

28 May 2020

# Speakers



Organisation for Economic  
Cooperation & Development (OECD)

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# **G20/OECD TASK FORCE ON FINANCIAL CONSUMER PROTECTION: RESPONSES TO COVID-19**

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A2ii Seminar, 28 May 2020



# G20/OECD FINANCIAL CONSUMER PROTECTION TASK FORCE

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- Established in the wake of the global financial crisis of 2008
- Mandate:
  - to lead international policy development on financial consumer protection, and contribute to related topics, on behalf of the G20 and the OECD
  - to implement and oversee the **High Level Principles on Financial Consumer Protection**
  - to conduct research, policy analysis and recommendations
  - to act as a holistic policy forum (across all sectors) for sharing of information, expertise and experience



# High Level Principles on Financial Consumer Protection

1. Legal, Regulatory and Supervisory Framework

6. Responsible Business Conduct of Financial Services Providers and Authorised Agents

2. Role, powers and capabilities of Oversight Bodies

7. Protection of Consumer Assets against Fraud and Misuse

3. Equitable and Fair Treatment of Consumers

8. Protection of Consumer Data and Privacy

4. Disclosure and Transparency

9. Complaints Handling and Redress

5. Financial Education and Awareness

10. Competition



DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS  
COMMITTEE ON FINANCIAL MARKETS  
G20/OECD TASK FORCE ON FINANCIAL CONSUMER PROTECTION

EFFECTIVE APPROACHES TO SUPPORT THE IMPLEMENTATION OF THE REMAINING G20/OECD HIGH-LEVEL PRINCIPLES ON FINANCIAL CONSUMER PROTECTION

September 9 2014

As agreed in the Action Plan of the G20/OECD Task Force on Financial Consumer Protection, endorsed by the G20 in 2012, the Task Force has developed the second set of Effective Approaches dealing with six of the ten High-Level Principles on Financial Consumer Protection, endorsed by the G20 Leaders in 2011.

This document contains the sixth final version of the Effective Approaches to Support the Implementation of the remaining G20 High-Level Principles of Financial Consumer Protection. It is based on several meetings of the G20/OECD Task Force on Financial Consumer Protection, subsequent written consultation with member jurisdictions and other relevant international bodies and Standard Setter Bodies (SSB), Vice Chairs, subgroups and an informal consultation with key stakeholders, including consumer and industry associations. A version was also shared with the OECD Committee on Financial Markets and on Insurance and Private Pensions, under the written process. It is submitted for consideration by the G20 Finance Ministers and Central Bank Governors.

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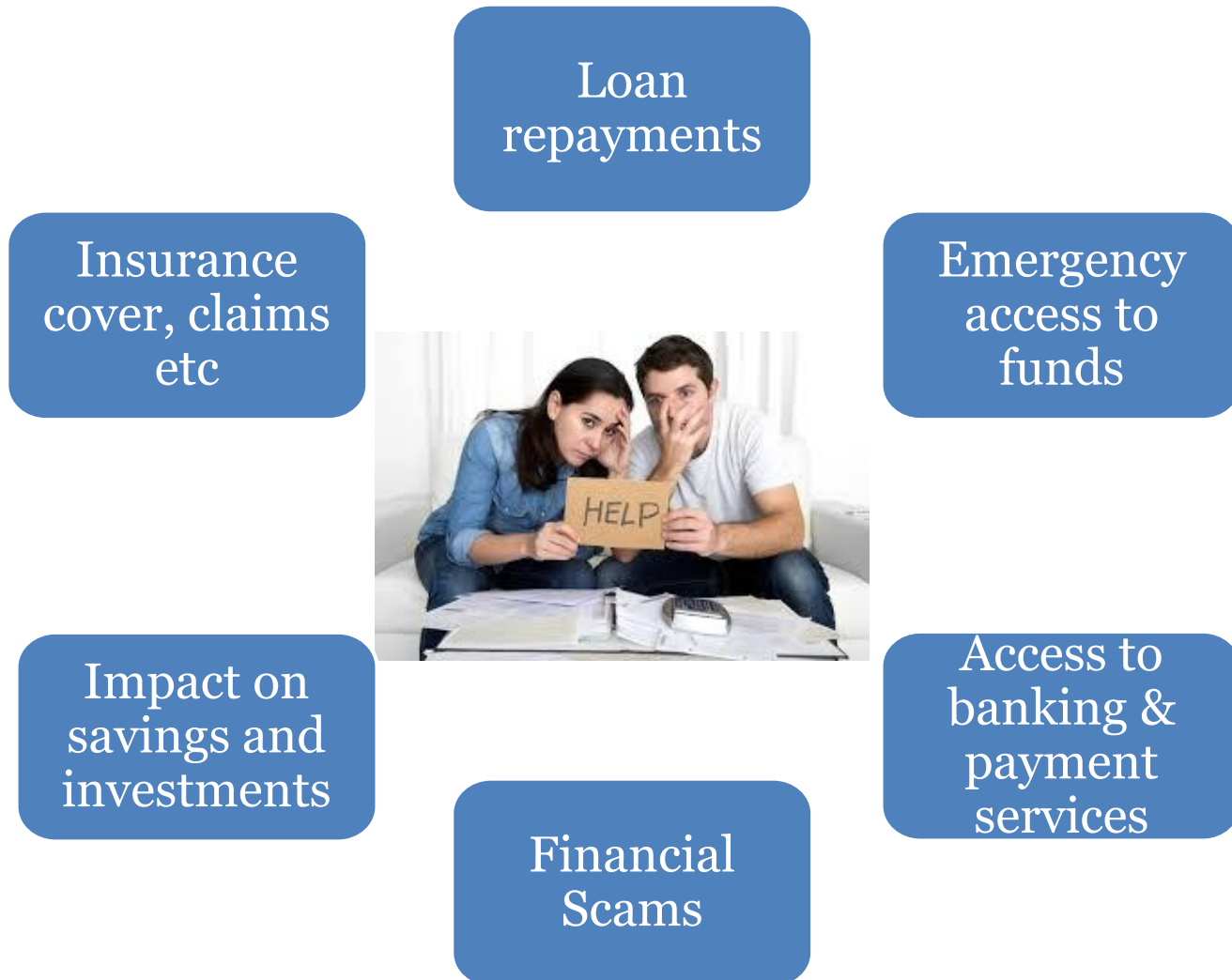


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# Issues for financial consumers and retail investors arising from COVID-19





# Options for supporting consumers facing financial difficulties

***Information Note*** released 27 March 2020

## Flexibility with loan repayments

- Deferrals eg mortgage payment holidays
- Changes to loan terms

## Suspension of debt collection activities

- Including repossessions and foreclosures

## Emergency access to funds

- Savings and investments products
- Retirement saving funds

**OECD**  
**Financial consumer protection responses to COVID-19**  
Support for financial consumers  
24 March 2020

The COVID-19 emergency will affect the lives of many people around the globe. There are a number of ways that policy makers, public authorities and financial services providers can safeguard the interest of financial consumers who may be experiencing financial difficulties and help them to manage their personal finances. These options are not recommendations but can assist policy makers in their consideration of appropriate measures to help financial consumers, depending on the contexts and circumstances of individual jurisdictions, during this difficult period. These suggestions are consistent with the G20/OECD High Level Principles on Financial Consumer Protection that set out the foundations for a comprehensive financial consumer protection framework.

**FLEXIBILITY ON LOAN REPAYMENTS:** financial consumers facing financial hardship as result of COVID-19 could be offered flexibility relating to their loan obligations, including options such as deferral of repayments (e.g. mortgage payment holidays), extension of loan terms and/or waiving of fees and charges, together with clear information about the implications of such options for the loan overall.

**SUSPENSION OR DEFERRAL OF DEBT COLLECTION ACTIVITIES:** policy makers and public authorities could work with banks and other lenders to consider suspending or deferring debt collection activities, including repossession and foreclosure procedures, in relation to financial consumers facing financial difficulties as a result of COVID-19.

**EMERGENCY ACCESS TO FUNDS:** policy makers and public authorities could work with banks, fund managers and other financial services providers to consider granting emergency access to funds held in term deposits and other savings and investments products for financial consumers experiencing financial difficulties as a result of COVID-19. Where relevant, this could include emergency access to funds held in retirement savings funds, taking account of the longer term implications of doing so.

**ACCESS TO BANKING SERVICES:** policy makers and public authorities could work with banks to ensure continued access to banking services using a range of options (including where available branches, telephone, internet and mobile banking), taking account of the access needs and limitations of some financial consumers.

**INSURANCE POLICY EXCLUSIONS:** policy makers and public authorities could work with insurance companies to ensure that



# Options for supporting consumers facing financial difficulties

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## Banking & payment services

- Use different channels as available
- Consider access needs and limitations
- Use of contactless payments

## Insurance

- Clear communication re exclusions
- Fair handling of claims
- Other measures

## Warnings against scams & consumer information

- Information about how to protect from scams
- Information and key messages about managing personal finances and investments

***Clear communication to consumers of options available, as well as the implications or consequences of those options on their overall financial position, is essential***





# OECD is supporting information sharing and coordination on FCP

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- **Questionnaire on FCP measures re COVID-19** to support information sharing among participants and inform a holistic view of the global response:
  - Questionnaire is divided into Sections relating to different sectors – **for insurance authorities, the relevant sections are Section 1 (General) and Section 4 (Insurance)**
  - User friendly to complete, with no confidential information required
  - Results are shared with respondents via a file of responses, regularly updated
  - Links to public information published on the OECD web hub
  - We will produce aggregate summaries and report back in due course
  - **It is not too late to respond to the Questionnaire – your participation allows you to benefit from the information sharing and contributes to an understanding of global response**
  - **Please send your response to [miles.larbey@oecd.org](mailto:miles.larbey@oecd.org)**



## Preliminary results snapshot

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- Responses from seventy six (76) organisations received so far
- Forty one (41) responses relating to Insurance (General and Life)

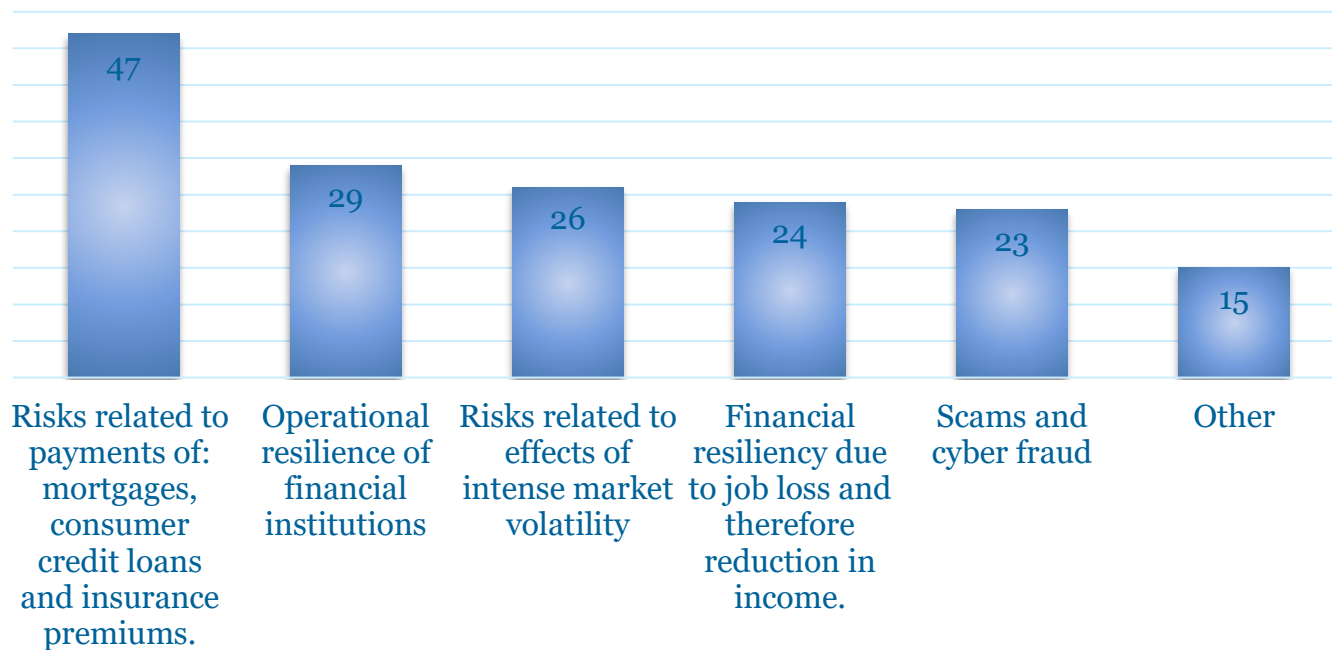


# Preliminary results snapshot: Section 1 General

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- Respondent jurisdictions monitoring risks arising from COVID-19:

## Main risks to consumers identified

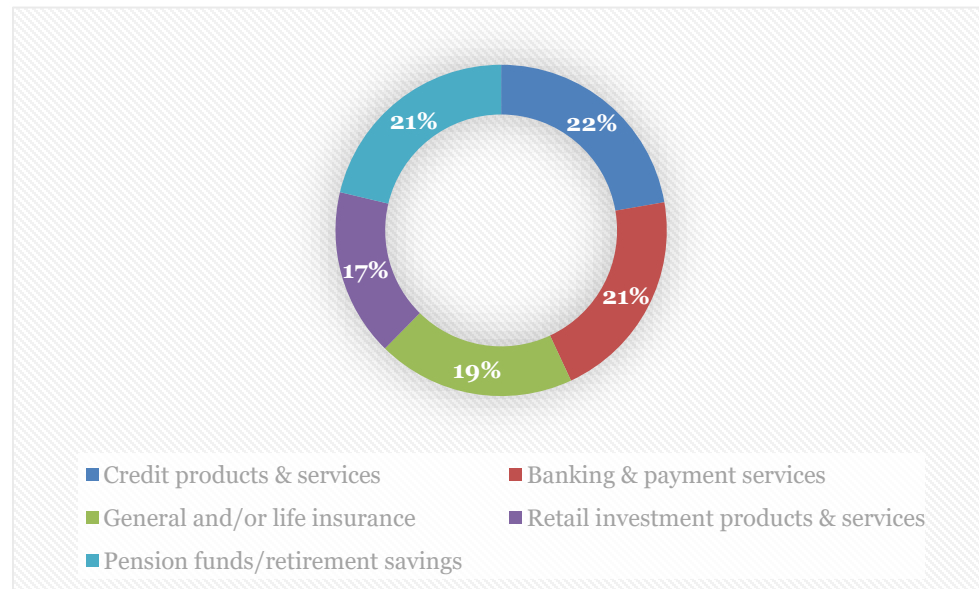




# Preliminary results snapshot: Section 1 General

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- 80% respondent jurisdictions have implemented FCP measures specifically in response to COVID-19
- FCP measures relate to:





# Preliminary results snapshot:

## Section 1 General

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- 84% respondent jurisdictions have produced information to help consumers manage their finances
- 45% respondent jurisdictions have detected incidence of scams re COVID-19, and issued warnings.
  - Phishing
  - Get rich quick schemes, advanced fee frauds
  - Access to funds, false loans or loan relief scams



# Preliminary results snapshot: Section 4 Insurance

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- FCP measures implemented by a combination of Government, public authorities, industry/self-regulatory bodies
- FCP measures by public authorities include:
  - Law/regulation
  - Guidance
  - Supervisory measures
  - Consumer information

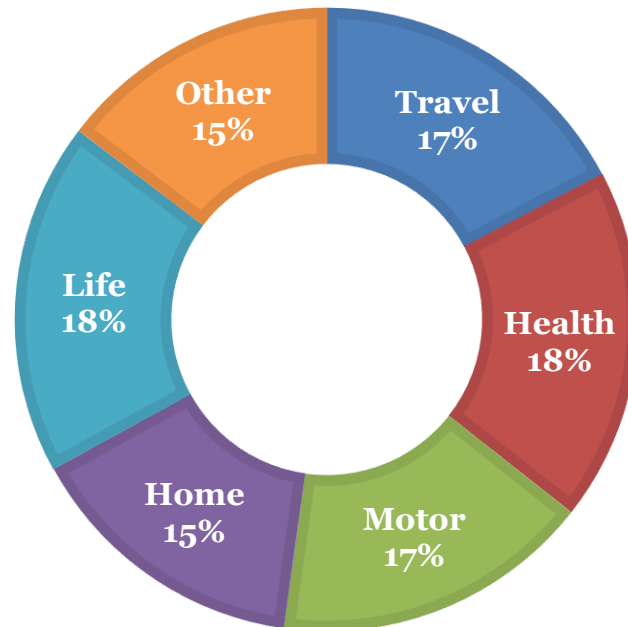


# Preliminary results snapshot: Section 4 Insurance

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- FCP measures relate to the following types of personal lines insurance:

■ Travel ■ Health ■ Motor ■ Home ■ Life ■ Other





# Preliminary results snapshot: Section 4 Insurance

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- FCP measures include:
  - Deferral of premium payments
  - Communication of exclusions relating to COVID-19
  - Waiving of waiting periods
  - Waiving of co-payments/residuals
  - Consideration of ex-gratia payments
  - Claims handling
  - Enhanced disclosure / extra information

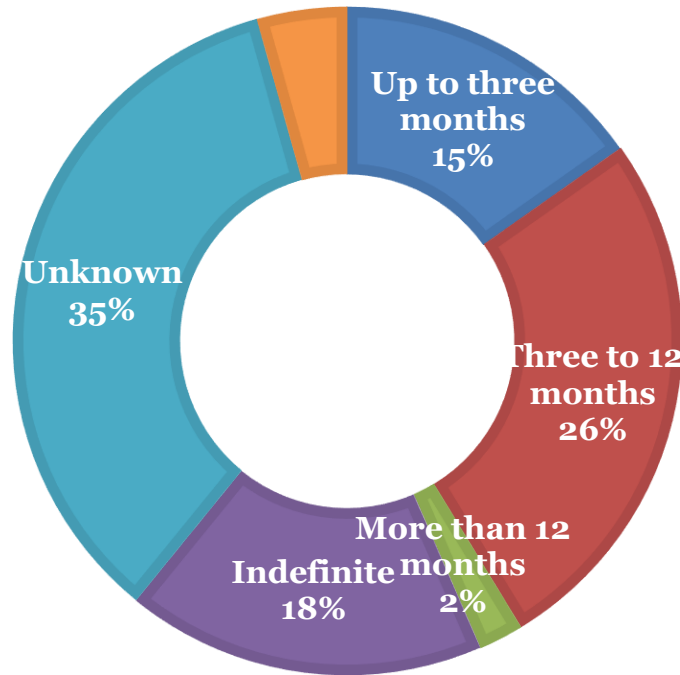




# Preliminary results snapshot: Section 4 Insurance

- Indicated duration of FCP measures

■ Up to three months   ■ Three to 12 months   ■ More than 12 months  
■ Indefinite   ■ Unknown   ■ No response





# Task Force priorities (non-COVID-19)

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- Demographic changes and vulnerable consumers, e.g. ageing populations, youth
- Digitalisation:
  - Balancing technology driven innovation with maintaining consumer protection;
  - New financial products and services, e.g cryptoassets, robo-advice, insuretech, Bigtech
  - Changes in consumer behaviour and demand, e.g Open Banking
- Data:
  - Explosion in generation, collection and use of personal data
  - Data protection policy development
  - Use of data to inform risk-based approaches to regulation and supervision
- Supporting inter-related policy agendas re financial wellbeing & financial inclusion
- Financial product governance & Culture
- Credit and over-indebtedness



# Task Force priorities (non-COVID-19)

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- Monitoring the implementation and application of the FCP High Level Principles
  - 10 Year Review of Principles
- Supporting jurisdictions to implement the Principles and develop FCP frameworks
  - capacity building or technical assistance and support
- Conducting research and developing policy Recommendations



## More information

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Send response to Questionnaire or to request more information, please contact:

[miles.larbey@oecd.org](mailto:miles.larbey@oecd.org)

# *Questions*

# Thank You

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