



Transition of MEFIN regional regulatory activities to A2ii from July 2021

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List of Acronyms

A2ii	Access to Insurance Initiative
AFIR	Asian Forum of Insurance Regulators
AITRI	ASEAN Insurance Training and Research Institute
CDRI	Climate and Disaster Risk Insurance
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
IAIS	International Association of Insurance Supervisors
MEFIN Network	Mutual Exchange Forum on Inclusive Insurance (MEFIN) Network
OM	Organizational Meeting
RC	Regional Coordinator
RFPI Asia	Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia
RI-Plan	Regional Implementation Plan
RSC	Regional Steering Committee
SAARC	South Asian Association for Regional Cooperation
TWG	Technical Working Group
UNCDF	United Nations Capital Development Fund

1. Foreword

If the pandemic has taught us anything, it is that financial resilience – of households, businesses and Governments – is vital to weathering future shocks. One important way for vulnerable communities to build resilience is through the uptake of responsible insurance, underpinned by a financially sound industry and consumer protection. In this respect, Asia has a wealth of experience: Access to insurance has long been a priority of insurance authorities in the region.

The road however will not be easy, as supervisors will have to juggle multiple considerations. The industry needs to remain financially and operationally resilient in the face of cyber risk and sweeping changes such as IFRS17. Market conduct supervision will also be paramount. Experience with Covid-19 particularly concerning policies where cover was most needed such as business interruption will leave a mark on consumer trust and perception, for better or for worse. With dwindling incomes, insurance will also be a tough sell. Supervisors themselves are also undergoing transformation as they transition to risk-based supervision and digital supervisory processes. Capacity building and sharing of best practices will no doubt be an ongoing and evolving need.

The Mutual Exchange Forum on Inclusive Insurance (MEFIN) Network, as a peer-to-peer learning platform among policymakers and insurance regulators in Asia, is proud to have spearheaded regional capacity building on inclusive insurance for the past 8 years. In December 2022, the programme will draw to a close. This calls for a plan to ensure that regional regulators, including the 7 member countries – Indonesia, Mongolia, Nepal, Pakistan, the Philippines, Sri Lanka and Vietnam – continue to have relevant capacity building activities and a network of peer regulators present.

The Access to Insurance Initiative (A2ii), as the implementation arm of the International Association of Insurance Supervisors (IAIS) on financial inclusion, has been actively providing capacity building to supervisors globally since 2009, and on multiple occasions in collaboration with GIZ-RFPI Asia and MEFIN. The A2ii is well placed to continue providing the needed support to the region while bringing in capacity building formats and knowledge from other regions.

The A2ii and GIZ-RFPI Asia are therefore proud to jointly present this plan on the road ahead. This document was developed jointly by A2ii and GIZ RFPI Asia, based on input from MEFIN members. It sets out a roadmap for how A2ii will offer regulatory capacity activities in the region in place of MEFIN activities, starting 1 July 2021.

GIZ-RFPI Asia is honoured to have had the privilege to work with insurance supervisors of the MEFIN Network for eight years since 2013. The A2ii welcomes the opportunity to take forward the good work of the MEFIN Network and looks forward to engaging more closely with the Asian insurance supervisory community.



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2. Background and rationale

The Access to Insurance Initiative (A2ii) was set up in 2009 to support insurance supervisors and regulators globally to create the conditions necessary for an inclusive insurance market to grow. As the ‘implementation arm’ of the International Association of Insurance Supervisors (IAIS) on inclusive insurance, IAIS is embedded in A2ii’s governance structure and operations.

The Mutual Exchange Forum on Inclusive Insurance (MEFIN) Network was set up to serve as a platform for ‘peer-to-peer learning among policymakers and insurance regulators in Asia who are committed to promoting inclusive insurance solutions’ and implement activities to this purpose. However, the implementation of GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia), the programme supporting MEFIN, will end in December 2022.

A transition is important to ensure that the supervisory authorities from 7 member countries - Indonesia, Mongolia, Nepal, Pakistan, the Philippines, Sri Lanka and Vietnam – continue to receive capacity building and peer exchange support on inclusive insurance regulations. This transition plan sets out how MEFIN’s regional-level regulatory capacity building activities will be integrated into A2ii activities from 1 July 2021. The plan was developed jointly by A2ii and RFPI Asia based on input from MEFIN members¹.

3. MEFIN and A2ii regional activities today

MEFIN was established in 2013 and formalised in 2016 with the creation of a Regional Steering Committee (RSC) composed of regulators and five Technical Working Groups (TWGs)² which includes representatives of the insurance industry as members. The RSC provides strategic direction to the Network and meets twice a year, during which the RSC approves the work plans of the TWGs and supervises their implementation. RFPI Asia serves as the secretariat of MEFIN providing coordination, technical and administrative assistance while supporting the RSC and the TWGs in implementing their annual work plans.

The A2ii is governed by the Governing Council, the highest decision-making body and the Executive Committee, which monitors and guides the activities of A2ii. The A2ii secretariat handles the day-to-day management and activities of the Initiative. The secretariat comprises head office staff and 2 regional coordinators (RCs) based in South Africa and Brazil, for Sub Saharan Africa and Latin America respectively. Together the team carries out A2ii capacity building activities at the global and regional level. The RCs in particular are each responsible for a Regional Implementation Plan (RI-Plan).

MEFIN and A2ii currently carry out a number of activities that aim to build insurance regulatory capacity. Several of these activities have similar aims and formats and can be considered equivalent,

¹ RFPI Asia and A2ii both conducted interviews with MEFIN insurance supervisors leading up to this plan. The transition plan was also presented by A2ii at the MEFIN Organisational Meeting on 30 September 2020 and circulated for feedback until 21 October. The plan received positive comments from the Chairperson of MEFIN.

² The five TWGs work on: (i) Disaster Risk Insurance (ii) Regulation and Supervision (iii) Knowledge Management (iv) Capacity Building (v) Business Models

with the exception that MEFIN activities are primarily targeted at or only open to MEFIN members, while A2ii activities are open to all Asian insurance supervisors due to A2ii not operating a formal membership structure. A2ii works mainly through the IAIS membership base, but A2ii activities are open to non-IAIS members. Another key difference is that MEFIN activities are also open to industry members, while A2ii events, other than those intentionally organised as industry-supervisor dialogues or with industry expert input, are mainly closed to supervisors only.

Current MEFIN and A2ii activities for Asian supervisors are as follows:

Organisation	Activities today
A2ii	<p>Activities that are organised for the region:</p> <ol style="list-style-type: none"> 1. Flagship A2ii training, all of which have a standard syllabus but are tailored to the region, via a regional case study or addition of a module specifically requested by the region: <ul style="list-style-type: none"> • A2ii-IAIS-Toronto Centre Inclusive Insurance Training • A2ii-IAA³-IAIS Capacity Building for Insurance Supervisors - Leveraging Actuarial Skills 2. Supervisor-industry dialogues, which are normally held once a year in each region as long as an organising partner or complementary event can be found⁴. Topic or scope can be customised e.g. to include policymakers. <p>Activities that are global or open to all supervisors to apply, including Asia:</p> <ol style="list-style-type: none"> 1. Bimonthly A2ii-IAIS Dialogues, which are webinars for supervisory peer exchanged. Normally closed to supervisors only unless an industry expert is invited to present. Will be held at 2 time zones in 2021 (10 am and 4 pm Central European Time). Asia supervisors normally present on or attend the 10 am session. 2. Supervisory scholarships for individual supervisors with capacity building partner programmes e.g. Microinsurance Master and Women’s World Banking. 3. Inclusive Insurance Innovation Lab. 4. In-country capacity-building pilot: Currently being piloted with Beema Samiti and the United Nations Capital Development Fund (UNCDF) and depending on outcome may be offered permanently in future.
MEFIN	<ol style="list-style-type: none"> 1. RSC Meetings, or Organizational Meeting (OM) when industry players are involved in their capacity as TWG members, held twice a year. 2. Public-Private Dialogues which involve supervisors and industry players, also twice a year. Topics are decided based on ongoing priorities of members. 3. Tuesdays with MEFIN webinars which are open to MEFIN members and non-members. 4. Capacity Development Dialogues open to Supervisors, industry players, experts and government/ development partners. 5. Technical Working Group: Use of Technology. 6. Country experience factsheets on Climate and Disaster Risk Insurance (CDRI) - includes business model factsheets.

³ International Actuarial Association

⁴ In the past, such dialogues (then known as IAIS-A2ii-Microinsurance Network Consultative Forums) have been organised alongside events in the region such as AFIR meetings or the International Inclusive Insurance Conferences

	7. Collection and circulation of reports on good practices and lessons learned on CDRI.
	8. Support to Public-Private Partnerships (e.g. develoPPP).

For purposes of comparison: In Sub-Saharan Africa and Latin America, A2ii has a Regional Coordinator in place, whose role is more in-depth than the regional contact. In these regions, on top of the current activities organised in Asia, A2ii also carries out:

- Regional supervisory meetings once a year to discuss regulatory updates and capacity building priorities.
- 1-2 year-long thematic project with supervisory steering group, such as the [Sub Saharan Africa Key Performance Indicators project](#).
- One or two additional ad-hoc virtual seminars, workshops or dialogues by request, such as the [ASSAL⁵-A2ii webinar on SME insurance](#).

4. Overview of the transition plan

From 1 July 2021 onwards, A2ii will become the new focal point for regulatory capacity building and peer learning activities. GIZ-RFPI Asia will continue with the Climate and Disaster Risk Insurance (CDRI) activities, the Tuesdays webinars, and the technology TWG till December 2022. The 'MEFIN' brand will no longer be used for regulatory capacity building activities. A2ii activities will be led by the A2ii Asia RC based on a RI-Plan developed with Asian supervisors. Activities will be integrated within the same regional model across Asia, Latin America and Sub Saharan Africa. A2ii activities will thus be open to other Asian regulators consistent with the model across other regions. However, A2ii will closely consult with the original MEFIN members given their experience and commitment to inclusive insurance.

The A2ii RC would be based in Asia and work closely with A2ii team members in the head office and other regions. Currently A2ii already has an Asia 'regional contact' a full-time A2ii employee based in head office. The RC is a more in-depth role, based in Asia, and hosted by an insurance supervisor (full or part-time). The RC would leverage other A2ii team members who are designated as thematic leads (e.g. climate risk, digitalisation, gender, SME insurance, Covid-19, market conduct etc.) as well as RCs of Sub Saharan Africa and Latin America to enable cross-regional comparisons.

The roles of the Asia RC would include:

- Develop, coordinate and oversee the implementation of the RI-Plan.
- Main contact point for all Asia supervisors, and therefore responsible for responding to technical or other queries from the region, discussing capacity building (bilaterally or in meetings) as well as proactively engage them in A2ii activities.
- Closely liaise with the IAIS regional coordinator, regional supervisory associations and partners⁶. As such the RC will be able to connect Asian supervisors to the various regional supervisory platforms, further supporting peer exchange.

⁵ Asociación de Supervisores de Seguros de América Latina or Association of Insurance Supervisors of Latin America

⁶ Including but not limited to (i) Asian Forum of Insurance Regulators (AFIR), the ASEAN Insurance Regulators Meeting, South Asian Association for Regional Cooperation (SAARC) (ii) Asian Development Bank (ADB), Global Asia Insurance Partnership (GAIP), ASEAN Insurance Training and Research Institute (AITRI), Pacific Financial Inclusion Programme, GIZ RFPI-Asia.

Regional activities will be guided by a RI-Plan that is led by the A2ii Asia RC based on supervisory input. The RI-Plan is a 2-year plan guiding A2ii's regional capacity building activities, currently in use in Sub Saharan Africa and Latin America. It covers regional supervisory priority topics and planned activities. It will be developed and overseen by the A2ii Asia RC while shaped by Asian supervisors, including MEFIN members, via consultation and input. It will also be coordinated with stakeholders such as IAIS and regional supervisory associations (AFIR, SAARC) as well as capacity building partners e.g. GIZ-RFPI Asia, ASEAN Insurance Training and Research Institute (AITRI), Financial Stability Institute, Toronto Centre.

The RI-Plan will be discussed via an open annual regional supervisory meeting, instead of an RSC meeting twice a year. All Asian supervisors would be invited to attend and actively provide input to the RI-Plan. This would replace the current structure of a fixed RSC providing strategic direction. We envision that MEFIN supervisors could actively contribute, even shape an initial draft, given their shared experience with inclusive insurance, thus shaping A2ii's activities. The RI-Plan would also benefit from the learnings gained from A2ii experience in other regions. When or if international travel and meetings resume, the aim would be to organise this regional supervisory meeting alongside wider Asian supervisory meetings, such as AFIR, to enable supervisors to maximise the benefits of the event or trip. Consistent with other regions, A2ii would not fund travel and accommodation for supervisors attending unless they are presenting.

5. Timeline and detailed activities

Activities starting from 1 July 2021

The figure below sets out the timeline for the transition of MEFIN regional regulatory activities to A2ii. Further details on the activities are provided in the subsequent table.

		Handover of regulatory activities to A2ii				
		Sept-Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Events MEFIN		<ul style="list-style-type: none"> OM/RSC@30 Sept Tuesdays webinars Capacity development Support to Public Private Partnership (PPP) through develoPPP.de 	<ul style="list-style-type: none"> OM/RSC@March Tuesdays webinars Capacity development Country experience and business model factsheets dev't CDRI info collection & dissemination Support to PPP 	<ul style="list-style-type: none"> Tuesdays webinars Capacity development Country experience and business model factsheets dev't CDRI info collection & dissemination Support to PPP 	<ul style="list-style-type: none"> Tuesdays webinars 	<ul style="list-style-type: none"> Tuesdays webinars
Events A2ii		<ul style="list-style-type: none"> IAIS-A2ii-TC-AITRI inclusive insurance training FSI-A2ii-AITRI-IAIS cyber security and data protection virtual seminar @25 Sept/1 Oct A2ii-IAIS webinar – solvency regimes in EMDEs @17 Sept 	<ul style="list-style-type: none"> A2ii-IAIS Dialogues (webinars) 	<ul style="list-style-type: none"> A2ii-IAIS Dialogues 	<ul style="list-style-type: none"> A2ii-IAIS Dialogues <i>1st A2ii Asia regional meeting@early July</i> 	<ul style="list-style-type: none"> A2ii-IAIS Dialogues <i>1st A2ii Asia regional event – e.g. industry dialogue, virtual seminar, supervisory workshop</i>
<p>Note: <i>Highlighted yellow</i> – To be decided based on input from supervisors. Topics, priorities and other activities (e.g. regular virtual meetings) can be deliberated at 1st A2ii regional meeting.</p>						

Figure 1: Timeline for the transition of MEFIN regional regulatory activities to A2ii

Organisation	Activities from July 2021
A2ii	<p>Activities that are organised for the Asia region:</p> <ol style="list-style-type: none"> 1. *Annual Asia regional supervisory meeting to discuss updates, as well as set priorities, topics and activities. Meeting would be open to all Asia supervisors and involve IAIS, regional associations and capacity building partners. Additional regular conference calls can be arranged if requested. 2. 1-2 additional ad-hoc virtual seminars, workshops, industry dialogues or others by request. 3. Flagship A2ii training, all of which have a standard syllabus but are tailored to the region, via a regional case study or addition of a module specifically requested by the region: <ul style="list-style-type: none"> • A2ii-IAIS-Toronto Centre Inclusive Insurance Training • A2ii-IAA-IAIS Capacity Building for Insurance Supervisors-Leveraging Actuarial Skills 4. *1-2 year-long thematic project with an Asia supervisory small steering group. <p><i>* These denote new activities.</i></p> <p><i>All schedules, formats and topics to be decided in consultation with supervisors and documented in the RI-Plan, led by A2ii Asia RC. The main differences from A2ii activities before are</i></p> <ol style="list-style-type: none"> <i>(i) the addition of two new activities marked * above.</i> <i>(ii) a much more structured approach to capacity building plans in the region with a direct and dedicated focal point for supervisory input.</i> <i>(iii) The A2ii would coordinate with IAIS, FSI, AFIR, AITRI and others to ensure Asia supervisors, including MEFIN members, are made aware of and can access the 'universe' of capacity-building opportunities rather than solely A2ii-led activities.</i>
MEFIN	<ol style="list-style-type: none"> 1. Tuesdays with MEFIN webinars, which are open to MEFIN members and non-members 2. Technical Working Group: Use of Technology 3. Country experience factsheets on Climate and Disaster Risk Insurance (CDRI) - includes business model factsheets 4. Collection and circulation of reports on good practices and lessons learned on CDRI 5. Support to Public-Private Partnerships (e.g. develoPPP) <p><i>The three activities that will no longer be carried out from 1 July 2021 are:</i></p> <p><i>(i) RSC Meetings (ii) Public-Private Dialogues (iii) Capacity Development Dialogues.</i></p>

A2ii also carries out many global activities or activities that are open to all supervisors to apply (including Asia). Existing MEFIN members would be able to benefit from these activities as well. These include:

1. Bimonthly A2ii-IAIS Dialogues which are webinars for supervisory peer exchange. These are normally closed to supervisors only unless an industry expert is invited to present. These are held at 2 time slots in 2021 (10 am and 4 pm CET). Asia supervisors normally present on or attend the 10 am session.
2. Supervisory scholarships for individual supervisors with capacity-building partners' programmes e.g. Women's World Banking (WWB) training, the International Labour Organization's (ILO) Impact Insurance Academy and Microinsurance Masters.

3. Inclusive Insurance Innovation Lab.
4. In-country capacity building pilot: This is currently being carried out with Nepal and UNCDF on a pilot basis. It may be offered as a permanent option on a global basis in future.
5. A2ii's global Knowledge Hub, our online library of supervisory material, research and publications on inclusive insurance topics. We would welcome suggestions from MEFIN supervisors on topics to work on or how to improve the material.
6. Engaging with IAIS platforms. A2ii has a leading role in setting up the IAIS Financial Inclusion Forum (FIF), building on the former IAIS Financial Inclusion Working Group. It is envisaged that the A2ii will continue to play a leading role, where the FIF will be a platform for peer learning and support for supervisors on topics related to financial inclusion. A majority of activities will take place virtually rather than in person. The A2ii will therefore be able to support MEFIN members to actively participate in the FIF to shape the agenda and take the opportunity to use the platform to reach out to a global network of peers.

Progress monitoring and tracking

The A2ii and GIZ-RFPI Asia teams will hold joint meetings minimum once every quarter until the start of the transition to exchange updates, coordinate plans and put in place arrangements leading up to the transition.