



# Charter

(Version updated 24 May 2018)

## Vision and Mission

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).

As implementation partner of the IAIS, the A2ii's mission is to strengthen the capacity and understanding of supervisors to facilitate the promotion of inclusive and responsible insurance, thereby reducing vulnerability. The A2ii has the vision that more poor and vulnerable people have access to, and use of, affordable insurance appropriate for their needs.

The A2ii was established by the following organisations: the IAIS, BMZ, CGAP, the International Labour Organization, represented by the International Labour Office (ILO) subsequently renamed the Impact Insurance Facility and FinMark Trust.

The IAIS is the standard setter of the insurance sector and today comprises more than 200 member insurance supervisory authorities from nearly 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.

## 1. Funding Partners

1. Entities that provide in kind and/or direct financial contributions in support of the workplan and budget of the A2ii are referred to collectively as "Funding Partners". Funding Partners shall not include any insurer, insurance intermediary or private financial institution. Those Funding Partners that provide un-earmarked and substantial financial support which covers basic "core" organisational and administrative costs of the A2ii and that is used to finance the functioning of the A2ii are referred to collectively as "Core Funding Partners".

## 2. Purpose and Objectives

2. 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 and availability of insurance products appropriate for poor and vulnerable consumers.
3. 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.
4. 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

5. The 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 as the IAIS implementation partner 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

6. 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 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

7. 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 **Executive Committee** shall take all decisions necessary to achieve the mission of A2ii in accordance with the directions given by the Governing Council except those decisions that are assigned to the Governing Council. The Executive Committee is responsible for providing strategic advice and making recommendations to the Governing Council and it is accountable to the Governing Council; and
  - c. The **Secretariat**, led by an Executive Director or Head of Secretariat (Senior management), is responsible for the execution of A2ii's mission and is accountable to the Executive Committee. The Secretariat shall be hosted by the Host (as provided in Section 5 below).

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8. 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**

9. The responsibilities of the Governing Council include the following:
  - a. Setting broad policies;
  - b. Adopting A2ii's annual workplan and approving A2ii's annual budget;
  - c. Approving A2ii's financial statements;
  - d. Approving procedures and guidelines for approving Funding Partners;
  - e. Appointing members of the Executive Committee;
  - f. Setting up and dissolving advisory groups or other committees;
  - g. Inviting input from partner organizations, and inviting observers to its meetings;
  - h. Determining as necessary the functions and powers for the Executive Committee and the Secretariat, other than those included in this Charter;
  - i. Changing the Host (as defined in Section 5) and approving agreements related to the Host;
  - j. Approving cooperative agreements with other organisations or associations which are strategic in nature;
  - k. Appointing an external auditor and determining its terms of reference;
  - l. Amending the Charter (pursuant to Section 8 below);
  - m. Approving and removing Governing Council members;
  - n. Deciding on the termination of the existence of the A2ii;
  - o. Deciding on any other matter governing the business and affairs of the A2ii put before them by the Executive Committee; and
  - p. Agreeing on appropriate internal audit procedures which may be covered by the Hosting Arrangement.
10. The Governing Council shall consist of ten (10) voting members:
  - a. 5 representatives designated by the IAIS;
  - b. 1 representative of the Host (as defined in Section 5); and
  - c. 4 representatives of other Funding Partners of which at least 1 member shall be a Core Funding Partner.
11. The membership of the Governing Council may be extended beyond ten members up to a maximum of 16 members. In this case, the balance of IAIS representatives to other Funding Partners should remain the same. The number of IAIS representatives shall in no case be less than half of the total number of members of the Governing Council.
12. Members of the Governing Council represent institutions that are committed to the mission and vision of the A2ii and its strategy as well as to collective action. Governing Council members are expected to dedicate sufficient time and effort to fulfil their Governing Council roles and responsibilities and to participate in meetings of the Governing Council including in-person meetings.

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13. New members of the Governing Council representing Funding Partners can be nominated by other members of the Governing Council or self-nominate themselves and are selected by the Governing Council taking into account the criteria defined in Paragraph 12 as well as eligibility, qualification, and level of A2ii engagement of the nominated member. The IAIS representatives shall be nominated by the IAIS. The IAIS shall strive for inclusion of emerging market supervisors and a balanced geographical representation when designating representatives to the Governing Council.
14. Whereas no term limits are defined for members of the Governing Council, the A2ii shall strive to have a change in members from time to time to ensure greater diversity and new perspectives.
15. A member of the Governing Council may resign by giving prior written notice to the Chairperson of the Governing Council. Written notice of at least 30 days in advance should be given to facilitate a smooth transition.
16. The Governing Council can decide to exclude members of the Governing Council if they no longer meet the membership criteria defined in Paragraph 12 or deliberately acted in a manner detrimental to the A2ii, or because of any other grounds deemed fit.
17. Members of the Governing Council will fund their own participation in Governing Council meetings of the A2ii. If required and subject to available funding, supervisors from developing or emerging markets shall be entitled to receive reimbursement of reasonable costs incurred to participate in physical meetings of the Governing Council upon their request.
18. The Secretary General of the IAIS and the Senior management of the A2ii shall be non-voting members of the Governing Council.
19. Meetings of the A2ii Governing Council will be open to other members of the IAIS Secretariat and A2ii Secretariat. The Chairperson may restrict part of the meetings to voting members of the Governing Council and invited persons where deemed appropriate.
20. Members of the Governing Council shall have the option of appointing a proxy to attend Governing Council meetings on his or her behalf when that member is unable to attend. The Chairperson and the Secretariat must be notified by the member requesting the proxy.
21. The Governing Council shall elect a Chairperson from amongst the members designated by the IAIS pursuant to paragraph 10 of this Section above. The role of the Chairperson is to facilitate discussions and preside over meetings of the Governing Council. A Vice Chairperson shall also be elected by the Council. The Vice Chairperson will facilitate discussions and preside over meetings in the absence of the Chairperson. Where both the Chairperson and the Vice Chairperson are absent, the remaining Board members shall elect another person to chair the meeting. At least one of either the Chairperson or Vice Chairperson shall represent a developing or emerging market jurisdiction if possible. The Chairperson and Vice Chairperson shall serve for a two-year term and can be re-elected.
22. 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 manner. Members of the Governing Council shall receive at least 21 days' written notice of a Governing Council meeting. Agenda items shall be communicated at least fourteen (14) days prior to the meeting for decision items and a minimum of seven (7) days for all other documentation. These notice periods may be waived with the approval of all Governing Council members present at the meeting.

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23. In order to make decisions, a quorum of more than half of the Governing Council voting members (or their proxies) 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 member who represents a Core Funding Partner. The Governing Council shall strive to make decisions by consensus. However, if consensus cannot be reached, a decision 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 written procedure which should allow for adequate notice and procedure.
24. The Secretariat shall take record of decisions made in Governing Council meetings. Meeting minutes shall be circulated to all members after the meeting and be approved by the Governing Council at the latest at the following meeting.

### **4.4 Executive Committee**

25. The responsibilities of the Executive Committee include the following:
- a. The Executive Committee shall take all decisions necessary to achieve the mission of A2ii in accordance with the directions given by the Governing Council except those decisions that are assigned to the Governing Council according to paragraph 9. In particular, the Executive Committee shall: Set strategic guidelines for the A2ii, provide strategic advice and make recommendations to the Governing Council and provide guidance to the Secretariat;
  - b. Approve the annual workplan of the A2ii, approve additions to the workplan and take note of removals from the workplan throughout the year as long as they are within A2ii's overall agreed budget;
  - c. Approve annual operational reports;
  - d. Approve cooperative agreements with other organisations or associations which are mainly operational;
  - e. Make recommendations for establishment of new advisory groups or other committees to the Governing Council;
  - f. Propose amendments to the Charter for Governing Council approval;
  - g. Appoint or remove the Senior management of the Secretariat;
  - h. Annually review Senior management's performance and fulfillment of annual goals and advise hosting agency on annual staff goals completion and provide feedback on Senior management's performance;
  - i. Regular review of hosting agreement and strategic discussions with Host; and
  - j. Conduct any other functions not reserved for decision by the Governing Council pursuant to Paragraph 9 of Section 4.3.
26. The Governing Council shall establish an Executive Committee which shall consist of five (5) voting members:
- a. 3 representatives designated by the IAIS; and
  - b. 2 representatives designated by other Members of the Governing Council.
27. The Governing Council may increase or adjust the membership of the Executive Committee to a maximum of seven (7) voting members, provided that IAIS continues to constitute a majority of voting members.
28. One representative of the IAIS Secretariat, the Senior management of the A2ii, as well as a representative of the Host shall be non-voting members of the Executive Committee. Meetings of

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the Executive Committee will be open to other members of the IAIS Secretariat and A2ii Secretariat and to representatives of Core Funding Partners. The Chairperson may restrict part of the meetings to voting members of the Executive Committee and invited persons where deemed appropriate.

29. Members of the Executive Committee represent institutions, but are selected as individuals. Executive Committee members are expected to work in the best interest of the A2ii and to dedicate sufficient time and effort to fulfil their roles and responsibilities and to participate in meetings of the Executive Committee including in-person meetings.
30. New members of the Executive Committee representing Funding Partners should be drawn from the Governing Council. They can be nominated by members of the Governing Council or Executive Committee or self-nominate themselves. They are selected by the Governing Council taking into account their ability to dedicate sufficient time and effort to fulfil their Executive Committee roles and responsibilities and to participate in meetings of the Executive Committee including in-person meetings as well as eligibility, appropriate expertise, and level of A2ii engagement of the nominated member. The IAIS shall strive for inclusion of emerging market supervisors and a balanced geographical representation when designating representatives to the Executive Committee.
31. Terms for those voting Executive Committee members that do not represent the IAIS or the Host are three years and can be renewed for another two years.
32. A member of the Executive Committee may resign by giving prior written notice to the Chairperson of the Executive Committee. Written notice of at least 30 days in advance should be given to facilitate a smooth transition.
33. The Governing Council can decide to exclude members of the Executive Committee if they no longer meet the membership criteria defined in Paragraph 30.
34. Members of the Executive Committee shall have the option of appointing a proxy to attend Executive Committee meetings on his or her behalf when that member is unable to attend. The Chairperson and the Secretariat must be notified by the member requesting the proxy.
35. Members of the Executive Committee will fund their own participation in Executive Committee meetings of the A2ii. If required and subject to available funding, supervisors from developing or emerging markets shall be entitled to receive reimbursement of reasonable costs incurred to participate in physical meetings of the Executive Committee upon their request.
36. The Chairperson of the Executive Committee shall be elected by the Executive Committee from among the IAIS representatives on the Executive Committee. The role of the Chairperson is to facilitate discussions, preside over meetings of the Executive Committee and to report to the Governing Council. A Vice Chairperson may also be elected by the Executive Committee. The Vice Chairperson will facilitate discussions and preside over meetings in the absence of the Chairperson. Where both the Chairperson and Vice Chairperson are absent, the remaining Executive Committee members shall elect another person to chair the meeting. At least one of either the Chairperson or Vice Chairperson shall represent a developing or emerging market jurisdiction. The Chairperson and Vice Chairperson shall serve for a two-year term and can be re-elected.
37. The Executive shall meet in person at least twice a year and may meet through other means, as it deems appropriate (such as telephone or video conference or a combination). Meetings of the Executive Committee shall be scheduled and take place in an open and transparent manner. Members of the Executive Committee shall receive at least 14 days' written notice of an Executive Committee meeting. Decision items shall be communicated at least seven (7) days prior to the

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meeting. These notice periods may be waived with the approval of all Executive Committee members present at the meeting.

38. In order to make decisions, a quorum of at least three (3) Executive Committee voting members (or their proxy) must be present and must include one member who represents the IAIS and one other member. The Executive Committee shall strive to make decisions by consensus. However, if consensus cannot be reached, a decision may be made by a simple majority of voting 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 Executive Committee may also make decisions through a written procedure, which allows for adequate notice and procedure.
39. The Secretariat shall take record of decisions made in Executive Committee meetings. Meeting minutes shall be circulated to all members after the meeting and be approved by the Executive Committee at the latest at the following meeting.

### **4.5 Secretariat**

40. The Secretariat will be responsible for the day-to-day management of the A2ii. In particular, the Secretariat will:
- a. Develop the strategy, workplans, operating procedures and budget for the A2ii, for approval by the Governing Council and Executive Committee;
  - b. Develop, coordinate and administer A2ii projects;
  - c. Establish operational reports to Funding Partners;
  - d. Undertake procurement and negotiations on behalf of the A2ii in keeping with the procedures of the Host (pursuant to Section 5 below);
  - e. Provide for financial management, administration, monitoring, and evaluation of projects;
  - f. Coordinate with the Host on activities covered by the hosting arrangement (pursuant to Section 5 below);
  - g. Liaise with stakeholders (including Funding Partners and other relevant organisations or regional associations);
  - h. Delegate responsibility for particular tasks, or projects to organisations or independent consultants based on mutual agreement and in consultation with Executive Committee;
  - i. Report to the Executive Committee; and
  - j. Provide administrative support to the Governing Council and to the Executive Committee.
41. The Secretariat shall act in accordance with the instructions of and be accountable to the Executive Committee. The Host is only liable subject to respective financing agreements. The Secretariat shall be directed by an Executive Director or Head of Secretariat (Senior management) appointed by the Executive Committee. Senior management and any other Secretariat personnel are employees of the Host (as defined in Section 5) and subject to its policies and procedures. They are recruited by the Host on the basis of expertise relevant to the A2ii.
42. The functions of the Secretariat are funded by:
- a. The in-kind contributions of the Funding Partners, the IAIS and supervisors and the Host of the A2ii; such contributions shall be provided in line with the rules, regulations, procedures and directives of the Funding Partners 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



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c. Funding from Funding Partners dedicated specifically for the A2ii Secretariat.

43. Only when the Governing Council or Executive Committee 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.

### 5. Hosting arrangement

44. 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 requested.
- d. Perform an external audit of the A2ii: The external auditor of the Host will also serve as the external auditor of the A2ii. Should the Governing Council require an additional external audit to be performed, an additional external auditor can be appointed and the cost thereof must be covered by the A2ii.

45. 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.

46. 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

47. The A2ii shall seek partnerships with relevant organizations that will advance the A2ii objectives and strengthen its external relationships.

### 7. Term and Dissolution

48. The Governing Council may at any time decide by two-thirds majority of voting members to dissolve the A2ii.

49. 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

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to that of the A2ii.

50. A Funding Partner may terminate being a Funding Partner 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**

51. 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 Funding Partners**

52. 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.
53. The Funding Partners 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 Funding Partners**

54. 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.

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

55. The Funding Partners 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.
56. Any dispute, controversy or claim between two or more Funding Partners 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 Funding Partners agree to be bound by any arbitration award rendered in accordance with this provision as the final adjudication of any dispute.
57. 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.