

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
INSURANCE AND PRIVATE PENSIONS COMMITTEE**

**SUMMARY RECORD
94th INSURANCE AND PRIVATE PENSIONS COMMITTEE**

4-5 December 2014

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INSURANCE AND PRIVATE PENSIONS COMMITTEE

94TH SESSION, 4-5 December 2014

Thursday, 4 December

Morning session (10:00 – 13:30)

1. Approval of agenda and summary record

The agenda for the meeting ([DAF/AS/A\(2014\)3/REV1](#)) and the summary record of the 93rd IPPC ([DAF/AS/M\(2014\)1](#) and ANN) were approved by the Committee.

2. OECD Roundtable on the impact of the protracted low interest rate environment on insurers and pension funds

The Committee held a Roundtable ([DAF/AS/WD\(2014\)22](#)) to discuss the effects the low interest rate environment is having on insurers and pension funds, and how insurers and pension funds are adjusting their business models to cope with these effects. Further, possible regulatory ramifications from these effects were discussed.

The Committee heard from the following speakers:

Mr Mack Okubo (RT Room Document No. 2)
General Manager, International Affairs
New York Representative Office
Nippon Life

Mr Mihkel Mandre (RT Room Document No. 3)
Member of the management board
Swedbank Life Insurance SE

Mr. Thomas Ilka
Membre of Executive Board
German Insurance Association (GDV)

Mr Philippe Trainar
Chief economist and Senior Global Advisor to the Chairman
SCOR

Mr Bertrand Labilloy
Directeur des Affaires Economiques et Financières
Fédération Française des Sociétés d'Assurances

Discussant

Mr Elia Berdin (RT Room Document No. 1)
Research Assistant, Financial Institutions

Sustainable Architecture for Finance in Europe (SAFE)
Goethe University – House of Finance

Mr Thomas Luder (RT Room Document No. 4)
Markets Division
Financial Markets
Swiss Federal Department of Finance
State Secretariat for International Financial Matters

Mr Hansjörg Furrer (RT Room Document No. 4)
Head of Quantitative Risk Management
Swiss Financial Market Supervisory Authority (FINMA)

Ms Katja Novak (RT Room Document No. 8)
Insurance and Private Pensions Division
Federal Ministry of Finance
Germany

Mrs. Kertu Fedotov (RT Room Document No. 5)
Adviser
Ministry of Finance
Estonia

Commissioner Monica Lindeen (RT Room Document No. 6)
NAIC President-Elect and Montana Commissioner of Securities and Insurance

Thursday, 4 December

Afternoon session (15:15– 17:30)

3. Election of the bureau

The Committee re-elected the following Bureau members for 2015:

- Manuel Aguilera (Mexico) as Chair
- Ambrogio Rinaldi (Italy)
- Kosuke Ito (Japan)
- Hyunjoon Shin (Korea)
- Claude Wirion (Luxembourg)
- Paul Thanos (United States)

4. Tour d'horizon

a) Update on Global Insurance Statistics

The Committee:

- Heard a presentation by the Secretariat on the latest data from the OECD's Global Insurance Statistics and the outcome of the fourth edition of the *Global Insurance Market Trends* (Room Document No. 18)([DAF/AS/WD\(2014\)32](#)).

- Was informed that as the report was circulated to delegates for comments already, the report will be released incorporating any final comments on 8 December.

b) Updates by member countries on insurance market trends and policy and regulatory developments

The Committee:

- Heard presentations from Mr Philippe Gaillard (Room Document No. 14) and Mr Luc Malâtre (Room Document No. 15) on cyber insurance and raised a number of questions and comments on the presentations. A number of delegates expressed interest in further pursuing the topic to obtain a better understanding the market of cyber insurance.
- Heard from a number of delegations (US (Room Document No. 9), Portugal (Room Document No. 11), Hungary (Room Document No. 10), Korea (Room Document No. 16), Australia (Room Document No. 1), Japan (Room Documents No. 2 and 7), Russia (Room Document No. 8) and Costa Rica on market and regulatory developments.

5. Disaster risk financing and insurance

a) Global practices and challenges in disaster risk financing

The Committee

- Heard from the Secretariat that the survey report was updated and restructured for improved readability ([DAF/AS/WD\(2013\)21/REV2](#)).
- Was invited to provide any final comments by 31 January and agreed to publication.

b) Review of the OECD Recommendation on Good Practices for Mitigating and Financing Catastrophic Risks

The Committee:

- Heard a presentation from the Secretariat on the review of implementation of the Recommendation and possible direction for the revisions to the instrument (Room Document No. 17).
- Was requested to provide any comments to the draft questionnaire ([DAF/AS/WD\(2014\)18](#)) by 31 January.
- Was invited to comment on the discussion note ([DAF/AS/WD\(2014\)21](#)) which outlines the main directions for revising the Recommendation by 19 December.

c) Global events

The Committee:

- Was briefed by the Secretariat on the outcome of the APEC seminar, co-organised by the OECD (18-19 June 2014, Indonesia), and the third OECD conference on terrorism risk insurance (10 September 2014, Washington DC).

- Was informed of a planned event on disaster risk financing in fall 2015.

d) OECD Platform on terrorism risk insurance

The Committee heard a presentation from the Secretariat on the platform on terrorism risk insurance (Room Document No. 13).

Friday, 5 December

Morning session (9:30-13:00)

6. Annuities market

a) Regulatory and other structural factors affecting the development of annuity markets and product design: discussion note

The Committee:

- Was briefed by the Secretariat (Room Document No. 19) on the discussion note which examines the regulatory framework governing annuity products ([DAF/AS/PEN/WD\(2014\)15](#)).
- Was invited to provide additional information and case studies from their own jurisdictions to complement the initial findings presented in the discussion note by 16 January.

b) Data collection on annuities

The Committee:

- Was informed that no comments were received to the draft template for data collection on annuities after the June meeting.
- Agreed to the voluntary, pilot data collection exercise ([DAF/AS/WD\(2014\)6/REV1](#)). The pilot exercise will be circulated as part of the *Global Insurance Statistics* exercise in April.

7. Institutional investors and long-term financing

a) Draft preliminary report on the investment strategies of insurers and long-term investment

The Committee:

- Heard a presentation from Prof Helmut Grundl on the outline and main elements of the draft preliminary report (Room Document No. 12)([DAF/AS/WD\(2014\)36](#)).
- Heard comments from a number of delegates regarding how the report could better reflect considerations relevant to solvency regimes, and how liquidity of assets could be better addressed.
- Was invited to provide further written comments on the draft preliminary report by 30 January.

b) Questionnaire on the regulation of insurer investments: preliminary survey results

The Committee:

- Heard from the Secretariat of the updated note on the outcome of the survey on regulation of insurer investment ([DAF/AS/WD\(2014\)8/REV1](#)) and the intention to use the information collected from survey to update country reservations relevant to foreign portfolio investments restrictions of insurers and pension funds in the Capital Movement Code. The Working Party on Governmental Experts on Insurance will meet in June 2015 to discuss updates to relevant reservations.
- Was informed that delegations that have not submitted a response to the survey were requested to do so by 31 January, to ensure that the discussion in June can be based on full information from all members. Otherwise, delegations were requested to verify their responses submitted by 31 January and submit any proposed revisions to their reservations by 13 May.
- Was informed by the Secretariat of possible work to develop an investment restriction index using this data.

c) Future work on long-term investment financing

The Committee:

- Heard from the Secretariat on work relevant to the OECD project on long-term investment and planned future work ([DAF/AS/WD\(2014\)24](#)).
- Was informed of a planned survey of large insurers ([DAF/AS/WD\(2014\)23](#)), which would collect investment information from individual insurers. This data will be collected in early 2015, and used for the report on investment strategies of insurers and long-term investment.
- Was requested to encourage the private sector to provide comments on the survey and respond to the survey when it is circulated for responses.

8. Review of OECD instruments

- Draft questionnaire on the review of OECD Guidelines on Insurer Governance

The Committee:

- Heard from the Secretariat on the planned review of implementation of the Guidelines, for which draft questionnaires have been developed for circulation to delegates and the private sector, and possible areas of revision.
- Was informed of a scheduled roundtable on insurer governance during the June 2015 meeting, and suggestions for speakers were requested.
- Was informed that EIOPA and the Chair of the IAIS Governance Working Group could be invited to a roundtable.
- Was invited to provide comments on the draft questionnaires by 19 December.

- Final questionnaire on the review of the OECD Policy Framework for Effective and Efficient Financial Regulation

The Committee heard from the Secretariat that a final questionnaire for the review of implementation of the Policy Framework would be circulated for responses in early 2015.

9. Work planning

The Committee:

- Was briefed by the Secretariat on work being planned for the first half of 2015, and possible areas of work for the second half of 2015.
- Heard comments from some delegates on whether the OECD should conduct work on solvency modernisation initiatives at this time.
- Was invited to provide input on the areas in which work should be pursued from the second half of 2015.

10. Updates

a) Financial consumer protection, financial education and long-term investment

The Committee was provided a note on the OECD activities in the areas of financial consumer protection, financial education and long-term investment.

b) WPPP and other OECD activities

The Committee heard a brief from the Chair of the WPPP on its meeting on 1-2 December.

c) International organisations

The Committee heard an update of activities from the International Actuarial Association.

11. Closed session (see [DAF/AS/M\(2014\)2/ANN](#))

ANNEX

**INSURANCE AND PRIVATE PENSIONS COMMITTEE – 94TH SESSION
LIST OF PARTICIPANTS**

Chair/Président	Mr. Manuel AGUILERA VERDUZCO
Australia/Australie	Mr. Greg BRUNNER
Austria	Ms. Sigrid APL
Canada	Maxime LAVOIE
Czech Republic/République tchèque	Mrs. Aneta KARLIKOVA
Estonia/Estonie	Mrs. Kertu FEDOTOV
France	M. Laurent BORNIA
Germany/Allemagne	Ms. Katja NOVAK Mr. Thomas STEVCEVSKI
Hungary/Hongrie	Dr. Jozsef BANYAR
Italy/Italie	Mr. Simone CECCARELLI M. Ambrogio RINALDI
Japan/Japon	Mr. Kosuke ITO
Korea/Corée	Dr. Hae Won BYUN Miyoungh CHOI Dr. Hyun Joon SHIN
Luxembourg	Ms. Claudine WELTER M. Claude WIRION
Mexico/Mexique	Mr. Manuel AGUILERA VERDUZCO

	Ms. Norma Alicia ROSAS RODRIGUEZ
Poland/Pologne	Ms. Marta BARTNIK-WOJCIK
	Mr. Jaroslaw NIEZGODA
Portugal	Maria de Nazaré BARROSO
Slovak Republic /République slovaque	Ms. Julia CILLIKOVA
	Mr. Dusan KATONAK
	Mr. Matúš MEDVEC
Spain/Espagne	Mrs. Elena TEJERO ORTEGO
Switzerland/Suisse	Mrs. Jacqueline KUCERA
Turkey/Turquie	Mr. Ethem Erdem ORMAN
	Mr. Hayrullah Ahmet YASAR
United States/États-Unis	Monica LINDEEN
	Mr. Franklin NUTTER
	Ms. Elizabeth SAMMIS
	Mr. Ekrem SARPER
	Mr. Paul THANOS
	Mr. Jonathan WEYER
	Participant
Russian Federation/Fédération de Russie	Ms. Elena ARTEMOVA
	Mr. Valentin CHERNOV
	Mrs. Natalia LYSKO
	Mr. Igor SHINKARENKO
	Mr. Roman TOCHILIN
	Other Countries
Colombia	Mr. Juan Pablo ARANGO
	Ms. Natalia ESCOBAR MEJÍA

Latvia

Ms. Anna DRAVNIECE

Ms. Inga FORDA

Ms. Dina MIKELSONE

Mr. Gvido ROMEIKO

Costa Rica

Ms. María de los Ángeles CAMBRONERO

Ms. Silvia CANALES

ORGANISATIONS

World Federation of Insurance Intermediaries (WFII)/Fédération Mondiale des Intermédiaires en Assurances (WFII) Ms. Isabelle HEUNINCKX

**OTHER
ORGANISATIONS/COMPANIES**

Association Actuarielle Internationale Mr. Thierry POINCELIN

AXA Entreprises IARD, Risques Techniques Mr. Philippe GAILLARD

CNA Insurance Company Limited

Fédération Française des Sociétés d'Assurances Mr. Bertrand LABILLOY

General Insurance Association of Korea

German Insurance Association (GDV) Mr. Thomas ILKA

International Center for Insurance Regulation and SAFE - Goethe University Frankfurt Mr. Elia BERDIN

International Cooperative and Mutual Insurers' Federation Ms. Catherine HOCK

International Underwriting Association Mr. Nick LOWE

Korea Life Insurance Association Mr. youngtae SEO

LLOYD'S Mr. Alastair EVANS

Nippon Life

Mr. Mack OKUBO

SCOR

M. Philippe TRAINAR

Swedbank Life Insurance SE

Mr. Mihkel MANDRE

INSURANCE AND PRIVATE PENSIONS COMMITTEE – 94TH SESSION

ROOM DOCUMENTS

	Title	Author	Item
Roundtable			
RTRD2	Presentation - Mack Okubo (Nippon Life)	Mack Okubo	2
RTRD3	Presentation - Mihkel Mandre (Swedbank Life Insurance SE)	Mihkel Mandre	2
RTRD1	Article - Elia Berdin (International Center for Insurance Regulation and SAFE - Goethe University Frankfurt)		2
RTRD7	Japan - Biography - Nippon Life Insurance Company		2
RTRD4	Presentation - Thomas Luder (Swiss State Secretariat for International Financial Matters SIF)	Hansjörg Furrer Thomas Luder	2
	Presentation - Hansjörg Furrer (Swiss Financial Market Supervisory Authority FINMA)		2
RTRD8	Presentation - Katja Novak (Federal Ministry of Finance of Germany)	Katja Novak	2
RTRD5	Presentation - Estonia MoF - Ms. Kertu Fedotov (Ministry of Finance of Estonia)	Ms. Kertu Fedotov	2
RTRD6	Commissioner US Monica Lindeen (Securities and Insurance, Montana State Auditor)	Monica Lindeen	2
RD1	Presentation - Australia - APRA	Greg Brunner	4(b)
RD2	Presentation - Japan General Insurance Association of Japan (GIAJ)		4(b)
RD3	US insurance industry snapshots - 2014 3q		4(b)
RD4	US insurance industry snapshots - 2014 health		4(b)
RD5	US insurance industry snapshots - 2014 life industry		4(b)
RD6	US insurance industry snapshots 2014 mid-year		4(b)
RD7	Presentation - Japan - Life Insurance Association of Japan (LIAJ)		4(b)
RD8	Presentation - Russia - Ministry of Finance FIN, Russia	Igor Shinkarenko	4(b)
RD9	Presentation - US Federal Insurance Office (FIO)		4(b)
RD10	Hungary - Hungarian Financial Supervisory Authority (HFSA)	József Banyár	4(b)

RD11	Presentation - Portugal - Instituto de Seguros de Portugal (ISP)	Maria de Nazaré Barroso	4(b)
RD14	Cyber assurance	Philippe Guillard	4(b)
RD15	Cyber Assurance	Luc Malâtre	4(b)
RD16	Korea presentation		4(b)
RD13	OECD platform on terrorism risk insurance	Cecile Vignial	5(d)
RD12	PROJECT ON INSURERS AND LONG-TERM INVESTMENT - EVOLUTION OF INSURER PORTFOLIO INVESTMENT STRATEGIES—OPPORTUNITIES AND CONSTRAINTS FOR LONG-TERM INVESTING	Helmut Gründl	7(a)