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**ASEAN
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COUNCIL**

**18th ASEAN INSURANCE REGULATORS' MEETING
41ST ASEAN INSURANCE COUNCIL MEETING
JOINT PLENARY
29 OCTOBER 2015
PHNOM PENH, KINGDOM OF CAMBODIA**





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2015 AIC UPDATES

RECOMMENDATION LETTER TO ASEAN INSURANCE REGULATORS



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- Recommendations from the Insurance Industry in the Region, which had been gathered during the 1st ASEAN Insurance Summit and had subsequently presented during the last year Joint Plenary Meeting in Brunei Darussalam, have been submitted to the ASEAN Regulators on 9 January 2015. We are very grateful for they positive comment and advice on the various issues, which we hope will help to shape the policies that the Governments and the Regulators across ASEAN will be implementing to foster economic integration under the AEC 2015.

WORLD ECONOMIC FORUM

The 24th World Economic Forum (WEF) on East Asia was held in Jakarta on 19 to 21 April 2015, under the theme Anchoring Trust in East Asia's New Regionalism. Around 700 participants from over 40 countries, including 180 CEOs and Chairpersons, and 40 ministers and international organization representatives attended. President of Republic of Indonesia, H.E. Joko Widodo, delivered a keynote address at the opening session.



WEF itself is an international institution committed for improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas

WORLD ECONOMIC FORUM

The meeting serves as an impartial platform to discuss and tackle several of the 9 global challenges:

1. Agriculture & food security
2. Economic growth & social inclusion
3. Employment, skills & human capital
4. Environment & resource security
5. Future of the global financial system
6. Future of the internet
7. Global gender parity
8. International trade & investment
9. Long-term investing, infrastructure & development



The Forum believes the challenges can only be addressed through multi stakeholder cooperation and public-private partnership. AIC involved in the Forum, particularly in the discussion on issue no 9. the Long-term investing, infrastructure & development. During the discussion, AIC has raised the issue to fund the long-term investing & infrastructure through the insurance. AIC was represented by the Secretary-General who was initially invited as the Chairman of WanaArtha Life Insurance.

ROADSHOW PROGRAMME



In collaboration with the General Insurance Association and Life Insurance Association of Malaysia (PIAM and LIAM), AIC has taken a lead role in creating greater awareness on the AEC Blueprint for the integration of Financial Services and Insurance in ASEAN by organised an AEC Roadshow in Kuala Lumpur on 19 May 2015 for the insurance industry in Malaysia.



ROADSHOW PROGRAMME

The objective of this Roadshow was to increase the awareness of AEC amongst the industry players and identify priority areas which need to be addressed or refined to enable the industry to better prepare itself for the opening up of the market in the region. The AEC is expected to generate a wide range of opportunities for business and investment with the removal of trade barrier and tariffs across all ASEAN countries. The aim is also to have a single market which will provide an unrestricted flow of goods, services, investment and skilled labor with a freer flow of capital.



ROADSHOW PROGRAMME



The Roadshow Programme was held in Sasana Kijang, Bank Negara Malaysia and attended by the senior insurance leaders and company members of the Associations. The Programme deliberated presentations on the latest development of the ASEAN Integration Market and some issues that may impact the industry in the implementation of the AEC.

ROADSHOW PROGRAMME



Series of discussions to deliberate on relevant key issues of concern in areas such as:

1. Life Sector Recommendations for AEC
2. AEC Implications for the General Insurance Industry

AIC–FAA ROUNDTABLE DISCUSSION



Initiated by AIC, to bridge the talent gap in ASEAN, The Finance Accreditation Agency (FAA) in partnership with the ASEAN Insurance Education Committee (AIEC), a sub-committee under AIC, hosted a dialogue with industry leaders to share best practices and deliberate additional measures to ensure the sustainable growth of the industry



AIC–FAA ROUNDTABLE DISCUSSION



The dialogue focused on the implementation of specific measures to improve on current initiatives to grow talent for the ASEAN insurance industry. Key takeaways included the introduction of a strategic quality control framework and the need for internationally benchmarked standards in the insurance industry to encourage the development of highly competent and quality talent for the 600 million plus ASEAN population. This event was held in Sasana Kijang, Kuala Lumpur, 20 May 2015.



AIC–FAA ROUNDTABLE DISCUSSION

The panelist included FAA Director, Dr. Eddy Chong, Bank Negara Malaysia representative, Cik Aznan Abdul Aziz, ASEAN Insurance Education Committee Chairman, Mr. Michael F. Rellosa, Deputy Chairman of Indonesia Life Insurance Association, Mrs. Christine Setyabudhi, and Ms. Ong Puay See, Chief Executive Officer of Singapore's Institute of Banking and Finance



AIC–FAA ROUNDTABLE DISCUSSION

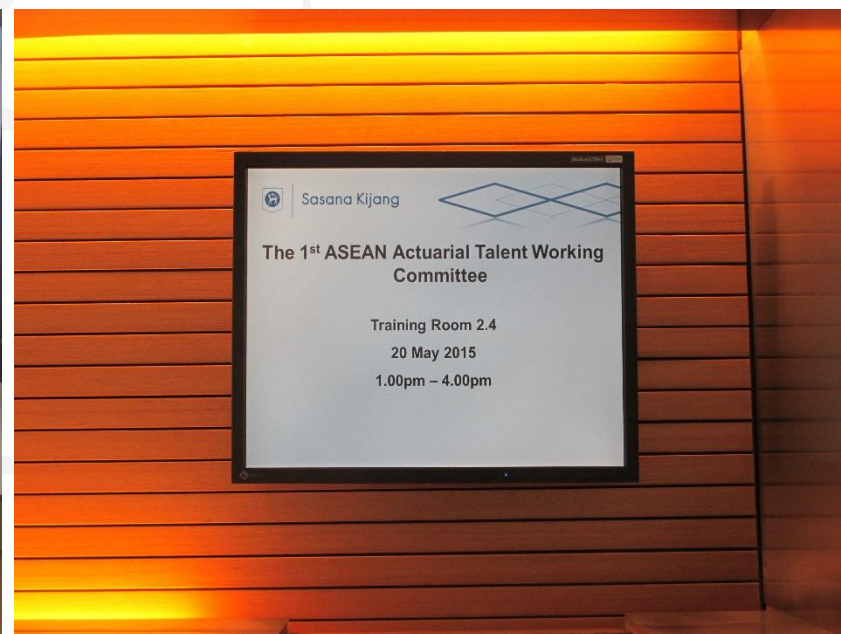
Attended by over 50 leaders and decision-makers insurance practitioners, the intimate discussion improved understanding of current economic realities including technological advances, demographic shifts, digital lifestyles, and work style revolutions affecting the establishment of a larger and more competent talent pool of training professional. The session also discussed the existing measures and initiatives to develop human capital in the insurance sector and what should be done to ensure the sustainable growth of the industry

A press conference was conducted after the Roundtable Discussion to promote the results out from the discussion where it will provide some insights to current human capital development initiatives and allow both AIC and FAA to determine what is needed.



The ASEAN TALENT DEVELOPMENT WORKING COMMITTEE

On the same day and still at the same venue in Kuala Lumpur, the ASEAN Actuarial Talent Development working committee had been formed under the ASEAN Insurance Education Committee, with the mandate to discuss and propose solutions to bridge the actuarial talent gap within the ASEAN region.



The ASEAN TALENT DEVELOPMENT WORKING COMMITTEE

The key objectives of the Working Committee will be:

- to quantify the actuarial talent demand and supply gap;
- to encourage holistic way to build ASEAN to share the talent, including training and sharing of resources for capacity building to address the gap;
- to garner regulators' support; and
- to foster better working relationship amongst ASEAN countries



The ASEAN TALENT DEVELOPMENT WORKING COMMITTEE



The Inaugural Working Committee attended by the President of the Actuarial Society and representative from Brunei, Indonesia, Malaysia, Philippines, Singapore, and Vietnam. The Actuarial Committee was mooted at the last ASEAN Regulators' Meeting in Brunei and was endorsed by the regulators. The working committee aims to quantify the actuarial gaps in the ASEAN region and to present some plans to address the gaps to the ASEAN regulators during the Joint Plenary Meeting.

PRIVATE SECTOR IN THE POST-2015 ECONOMIC VISION OF ASEAN

The ASEAN Business Advisory Council (ASEAN-BAC), the mandated private sector representative in ASEAN, has invited AIC to its workshop on the private sector in the post-2015 economic vision of ASEAN on 11 June 2015, Penang, Malaysia. The workshop was intended to put together the views of the private sector on post-2015 AEC. Some critical issues were discussed including: setting up of an ASEAN MSME Bank; elimination of non-tariff measures/non-tariff barriers; deepening of financial sector integration. In that meeting, AIC presented the inputs from insurance sector.



The official report from the workshop later will be submitted to the ASEAN leaders at the coming 27th ASEAN Summit in November 2015.



ASEAN
BUSINESS ADVISORY COUNCIL

THE 1ST COUNCIL OF BUREAUX WORKING GROUP



Another follow up from the last AIC Meeting in Brunei Darussalam, The First Working Group Meeting of the Council of Bureaux (COB-WG) was convened on 15–16 June 2015 in Bangkok, Thailand. The Meeting was attended by the Heads of National Bureaux from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Singapore, Thailand, VietNam, and representatives from the ASEAN Secretariat. The meeting was organised successfully and fruitfully with support from COB Vice-Chairman and all Road Accident Victims Protection (RVP) Team.



THE 1ST COUNCIL OF BUREAUX WORKING GROUP

The Meeting focused on the Implementation of Protocol 5 – ASEAN Scheme of Compulsory Motor Insurance of ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT); and to get updates on Implementation of Protocol 5 from each National Bureau Operation of Blue Card Scheme and Challenges



EUROMONEY SEMINAR INFRASTRUCTURE FINANCE CONFERENCE 2015



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AIC Secretary-General was invited as one of the panelists at the Indonesia Infrastructure Finance Conference 2015, organised by the Euromoney Seminars; which will be held on 17 June in Jakarta. The conference became the leading annual event in the infrastructure finance space in Indonesia addressing the key funding, policy and regulations and finance topics, and showcasing current and upcoming project opportunities in the energy, power and transportation sectors, to introduce the role of insurance industry in supporting the Infrastructure Project with Long-Term Capital Through Insurance and Pension Fund Industry. The conference was a major success with an impressive lineup of speakers, panelists and over 300 delegates in attendance.



APEC FINANCE MINISTERS' MEETING - Finance Sector Stakeholders -



The Department of Finance, Republic of the Philippines hosted the Finance Sector Roundtable and Dialogue with APEC Finance Officials and Ministers in Shangri-La Mactan, Cebu on 10 to 11 September 2015. AIC was invited to participate in the Meeting of Finance Sector, which was held in parallel to the APEC Finance Ministers' Meeting.

APEC FINANCE MINISTERS' MEETING

- Finance Sector Stakeholders -



Commenced by President of the Philippines H.E. Benigno S. Aquino III and Hon. Cesar V. Purisima, the two-day event aims to provide finance sector and other private sector stakeholders the opportunity to exchange views and have meaningful dialogue with APEC Finance Ministers and policymakers on the priorities of the APEC Finance Ministers' Process (FMP) Roadmap.



The APEC FMP provides an annual forum for APEC member economies to address regional macroeconomic and financial issues as well as domestic and regional financial policy priorities.

- The strategic goals of the FMP are to promote sound and credible policies for:
- Sustainable and broad-based development with equity in the APEC region
- Macroeconomic stability in the APEC region
- Prudent public finance management
- Good corporate governance
- Stable and efficient capital markets
- Greater economic cooperation, integration and openness among APEC economies
- Facilitation of economic and technical cooperation within the region



APEC FINANCE MINISTERS' MEETING

- Finance Sector Stakeholders -



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A ten-year Roadmap was proposed to be called the Cebu Action Plan (CAP), whose theme was “Building Inclusive Economies, the Road to Financial Resilience” with the goal of building an APEC community that is more financially integrated, transparent, resilient, and connected. The Roadmap seeks to coordinate the policies, rules and practices across APEC economies to support strong, sustainable, inclusive, and balanced growth throughout the Region and to pave the way for:

1. Facilitating trade and investments in the region;
2. Pursuing good governance and sound fiscal policies
3. Deepening financial markets that offers diversified financial instruments; advancing financial inclusion for all households and business (including those led by women); and enhancing financial resilience to global market volatility and natural disasters;
4. Mobilizing more financing for quality infrastructure development to sustain growth.

APEC FINANCE MINISTERS' MEETING



- Finance Sector Stakeholders -

During the Meeting, APEC Business Advisory Council (ABAC) organised working lunch between Finance Ministers and financial sector stakeholders. This lunch dialogue is the only event where Ministers and private sector have the opportunity for in-depth discussions.



From the discussion, the private sector is expected to focus on the importance and value of the CAP and how the private sector can collaborate with the public sector in pursuing the initiatives and deliverables under CAP's pillars. Such as: Developing the long-term institutional base in infrastructure and capital market; MSME finance; promoting bankable PPP project; infrastructure investment and disaster risk financing; trade/ supply chain finance; and financial inclusion/ literacy

APEC FINANCE MINISTERS' MEETING

- Finance Sector Stakeholders -

The Roadmap consists of four action programs/ pillars:

- (i) Promoting Financial Integration;
- (ii) Advancing Fiscal Reforms and Transparency;
- (iii) Enhancing Financial Resiliency; and
- (iv) Accelerating more financing for quality infrastructure development to sustain growth

Recognizing the heightened role quality infrastructure plays in a growing region, Finance Ministers looked forward to the development of an APEC PPP knowledge portal in collaboration with the Global Infrastructure Hub to serve as an online repository of PPP Infrastructure projects. Finance Ministers also noted how developing quality infrastructure as an asset class for institutional and long-term investors in the APEC region can facilitate the mobilization of regional savings into long-term investment pools.



UNION OF INTERNATIONAL ASSOCIATION ROUND TABLE ASIA-PACIFIC 2015



AIC was invited to participate at the 3rd UIA Association Round Table Asia-Pacific 2015 which was held 29 to 30 Sep 2015 in Centara Grand at Central World, Bangkok. The UIA Round Table offered the associations an opportunity to learn through networking and through practice. During those two days, participants met decision-makers from other international associations & shared experience and knowledge to help strengthening the association and running it better.

Attended by 75+ participants represent 50 associations from 19 different countries, some of the issues discussed during the meeting were: governance; membership; communication; and management challenges facing international associations today.



OTHER ASSOCIATIONS ENGAGEMENT



To support the overall mission, AIC has established and continues to develop a series of Working Committee/ Group covering Regional issues such as: Talent Development; Cross Border Insurance; and Natural Catastrophe. This movement ensures a broad based approach to raising and handling issues that face industry and ASEAN market integration.

And as AIC profile raises gradually and has entering a new phase of development and more active in the regional dialogues, then it is recognized that some associations in the Region, who have similar objectives and share the same values, have approached AIC to seek the potential cooperation in the future that can help shape the Regional development.



AlHuda Centre of Islamic Banking & Economics (CIBE)

CARMA PORTAL UPDATES

CARMA was initiated by ANDREWS Committee, developed and managed by Catalytics Pte Ltd., for AIC. It is a website for sharing disaster risk management information in the ASEAN. It is an easy to access site where users can set up their own accounts to search for data, post papers and register projects regarding natural perils and or catastrophes

Recently, CARMA has reconstructed the portal into a far more manageable and flexible portal. Therefore, onwards, CARMA is expected to:

1. Will be a definitive source for reliable papers and projects related to Nat. Cat in the ASEAN
2. Offers free space for everyone to have access to catastrophe and risk management information
3. CARMA is flexible enough to service all the necessary aspects and articles
4. The list of subjects are not restricted and includes flood, earthquake, windstorm, pandemics, tsunami, disaster risk management, cyclone, drought, landslide.



Catastrophe And Risk Management in **asean**

Please keep support CARMA development and take advantage and make use of it.

REPORT FROM GENERAL INSURANCE SESSION

**By Michael F. Relloso
AIC Chairman
PIRA Chairman
Philippines**

REPORT FROM GENERAL INSURANCE SESSION



1. It is proposed that communications to be enhanced between the Regulator and Industry on liberalism of the Marine, Aviation, and Transport (MAT) business in the ASEAN Countries. It is suggested that the AIC Secretariat be the channel through which important information and major developments on liberalization are conveyed to the respective insurance associations of ASEAN.
2. AIC to host multi-sectoral Disaster Risk Finance and Insurance (DRFI) forum to discuss issues such as ASEAN Catastrophe Pool. Because:
 - These initiatives need communication and cooperation between ASEAN Governments, Regulators, Development Finance Agencies, NGOs, and the Academic.
 - The AIC would wait to know who has been tasked to lead this conversation
 - Private sector and Regulators have an interest to see these implemented.

REPORT FROM GENERAL INSURANCE SESSION



3. AIC will set up a Working Committee to ferret out the differences in Insurance definitions and terminology used by the different ASEAN countries and will present this to the Regulators to allow them to harmonize in light of the impending integration
4. The ASEAN Financial Integration Framework as Insurance has been drawn up. Is there any chance for this to be share with the AIC and its constituents?



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REPORT FROM LIFE INSURANCE SESSION

**By Khoo Kah Siang
Chairman of LIA
Singapore**

REPORT FROM LIFE INSURANCE SESSION



1. AIC would like to find out from the regulators on the responses to our feedbacks and requests last year.
2. RBC
 - Thanks to Regulators for open to industry feedback. In some countries, RBC II will be further delayed to allow for more in depth discussion with industry on implications. For others, industry seeks the regulator not to hastily implement RBC II as there may be consequences. Eg. the capital risk charge for a member country is 30% for equity asset class, resulting in dwindling Par products as well as potential impact on bonuses as insurers shift their asset mix.
 - AIC also suggests that regulators should perhaps align the framework for setting RBC standard across ASEAN, though the level of capital set could be calibrated differently to suit the risk and stage of development of each market. This could help to speed up the opening up of life insurance sector in AEC.
 - In the setting of parameters on risk charges as well as on liability valuation, regulators could perhaps rely more on the local actuarial association for professional opinion and their recommendations.

REPORT FROM LIFE INSURANCE SESSION



3. Local Actuarial Association

- AIC would urge regulators in all ASEAN countries to actively push for the setup of a local actuarial association if it does not currently exist.
- We believe that there is a need to speed up the development and growth of the local actuarial professions in order to enable the local industry to grow rapidly and soundly. This again will help to speed up the integration of the life industry in AEC.

4. Infrastructure Asset Class

- We appreciate that there have been fairly active discussions taken place at various ASEAN as well as Asia Pacific economic and government platforms on this topic.
- We were also been informed that Asia Pacific Financial Forum has issued an interim report on their findings and work still in progress on this topic.
- A clear and robust legal framework, standardised rating framework, as well as solutions to hedge the political risk are important ingredient that would enable this asset class to be made investable for insurance companies.

REPORT FROM LIFE INSURANCE SESSION

5. FINTECH

- This is a fast emerging trend in the world and AIC is not objecting to embracing new technology and new approach for doing business if it benefits consumers
- However, AIC seek for level playing field in regulations that don't compromise existing model by favouring the new entrants to the market as this may inadvertently create disruption to market that cannot revert. Eg. In a direct internet model where no intermediaries are needed, then all the rules on intermediaries for proper advice may not apply to the new model. The new model can also operate on lower cost as compliance cost will be lower but this may result in miss-buying and other servicing issues that may be detrimental to reputation of industry in future but then the damage is already done.

REPORT FROM LIFE INSURANCE SESSION

6. AEC

- AIC would like to find out from the AIR on plans to enable the integration for the life industry. We would like to find out on the roadmap, the strategy as well as the timeline if any that we hope AIR can share with AIC.
- In our discussion, the PLIA seek for waiver of licencing requirement to enable cross border sales of micro insurance to Filipinos abroad in ASEAN, eg. sales of insurance to FOW. However, some other members expressed concerns on servicing issues as well as handling of complaints if any. Hence we would need a clear roadmap and strategy to enable us to discuss such issue.



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REPORT FROM COMMITTEES



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REPORT

**REPORT FROM
16th COUNCIL OF BUREAUX (COB)**



PERMANENT SECRETARIAT
**ASEAN
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REPORT

**REPORT FROM
13th ASEAN INSURANCE EDUCATION COMMITTEE
(AIEC)**



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REPORT

**THE ASEAN ACTUARIAL TALENT DEVELOPMENT
WORKING COMMITTEE**



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REPORT

**REPORT FROM
8th ASEAN NATURAL DISASTERS RESEARCH WORKS
SHARING (ANDREWS)**

OTHER MATTER

1. ASEAN Insurance Talent Development Mapping/ Blue-Print, lead by AITRI – AIEC
2. 2016 ASEAN Insurance Summit
3. Follow up on AIC Recommendations Letter from Private Sector to ASEAN Insurance Regulator



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THANK YOU

**SEE YOU IN
YOGYAKARTA**