

**APEC FINANCE MINISTERS MEETING (AFMM) and
Finance Sector Roundtable and Dialogue**
Introduction to the Cebu Action Plans

**An overview of the APFF Work Related
to Insurance and Retirement Income**

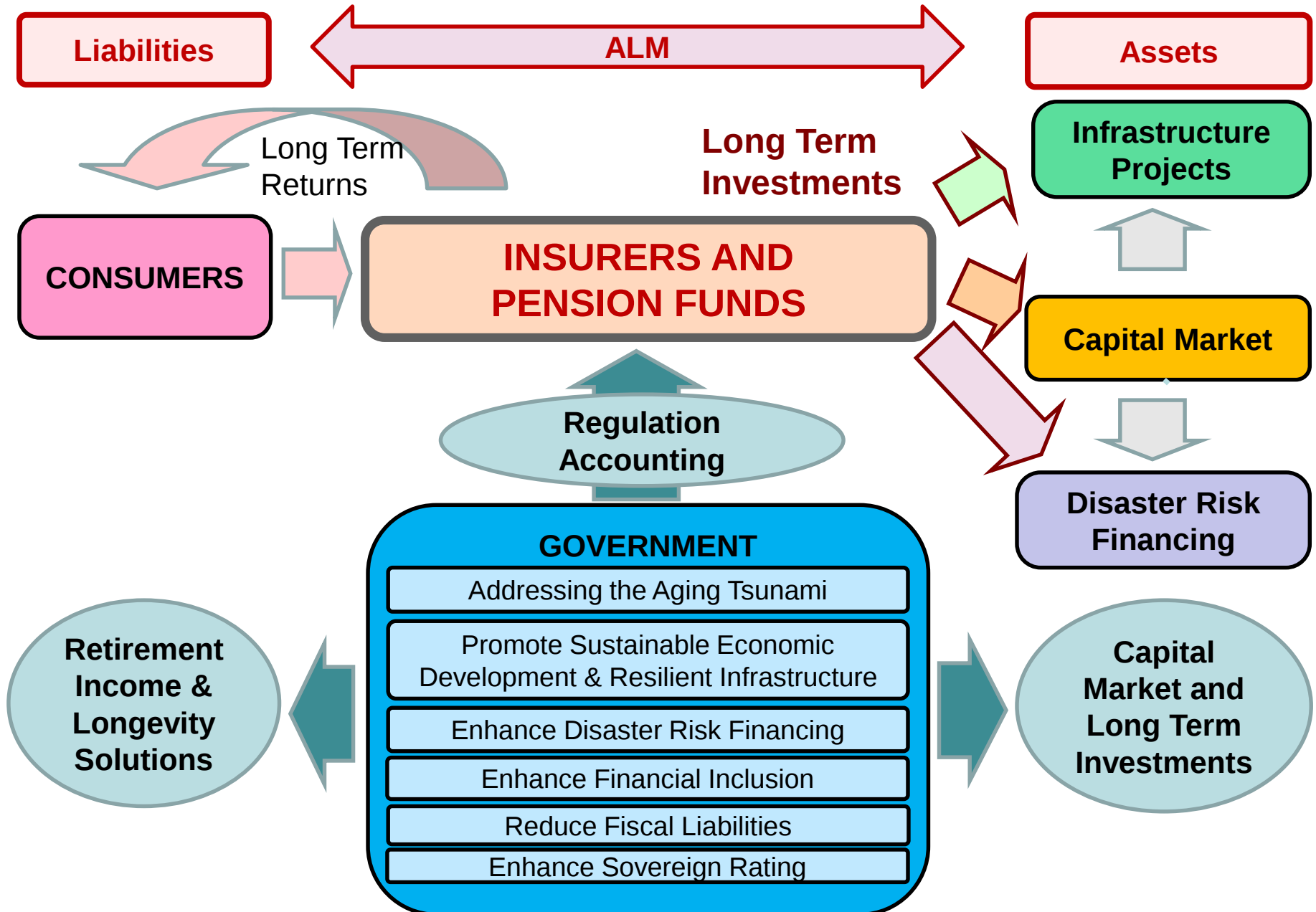
Paul Lynch, Prudential Corporation Asia

APFF Insurance and Retirement Income Work Stream

Phnom Penh, Cambodia, 29 October 2015

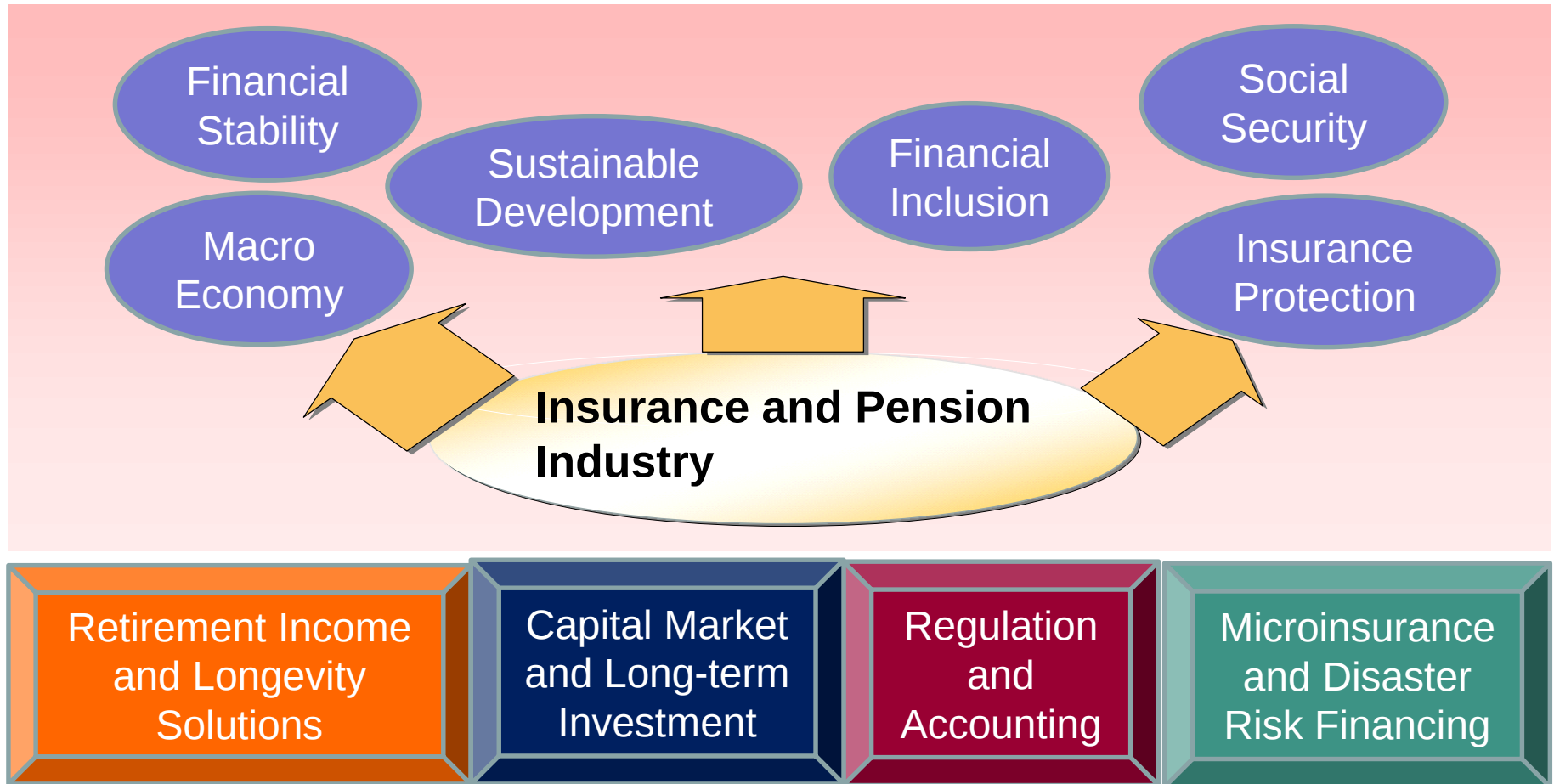
Roadmap for the Sustainable Development

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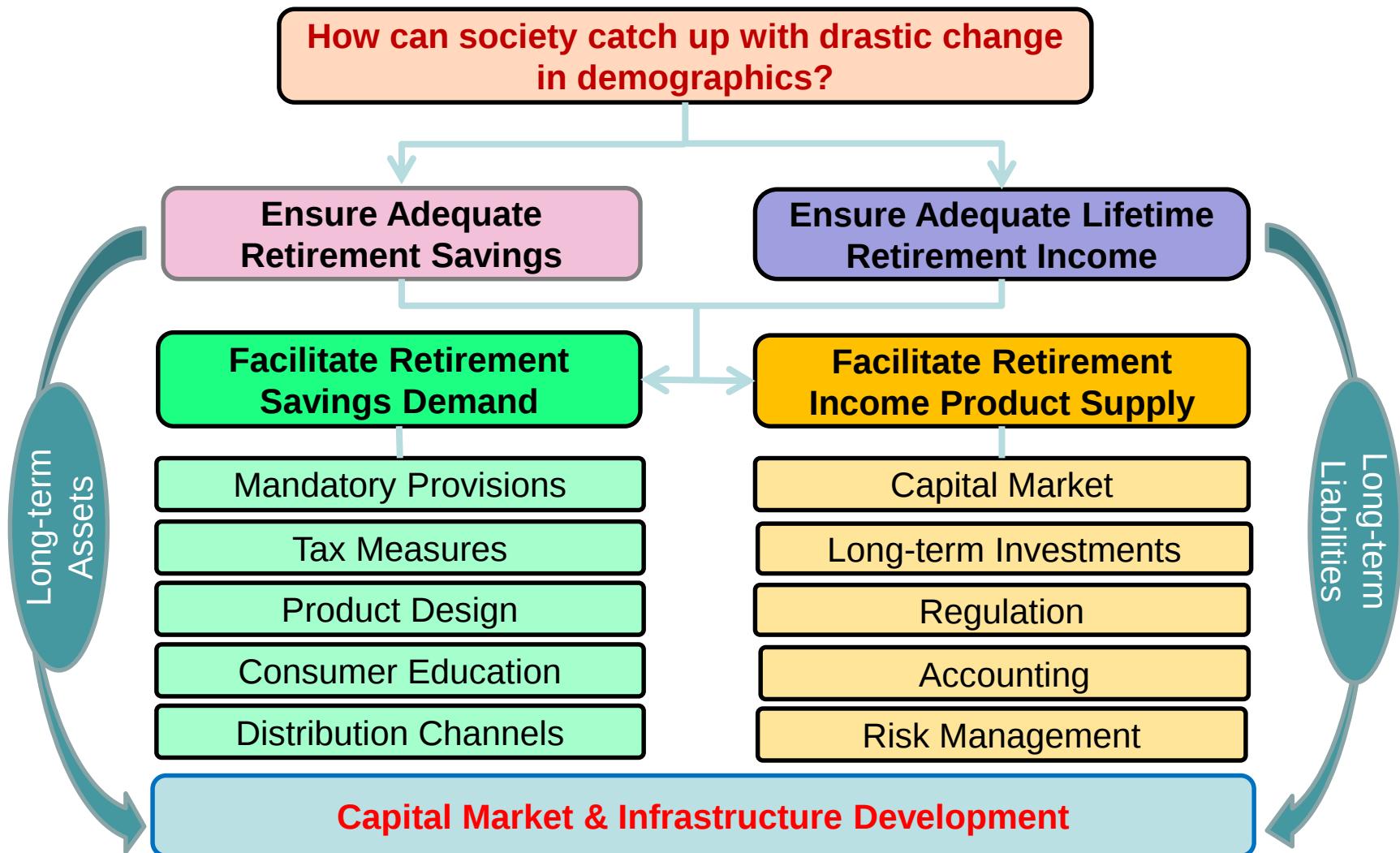
APFF Insurance and Retirement Income Work Stream

- A holistic framework to support the long-term roles of insurance and pension industry in the Asia-Pacific



Retirement Income and Longevity Solutions

- Responding to the needs of aging, while promoting capital market and infrastructure development



Regulatory issues

■ Bank-centric regulations

- Insurers play an important role as long-term investors and in the social security system

■ Short-term oriented economic regime

- Economic-based regime should have a long-term vision
- Otherwise, unintended consequence may occur on long-term products/investments

■ “One-size-fits-all” models

- Different business models by economies

Accounting issues

■ Volatility in the balance sheet and P/L

- Assets-liabilities interaction

■ Other issues for traditional long-duration contracts

(i.e. complexity, consistency, transition, presentation)

Market issues

- Underdeveloped long-term capital market
- Small number of bankable projects available
- Lack of infrastructure financial instruments
- Lack of market instruments (i.e. derivative, hedging tools) to manage portfolio risk
- Constraints on long-term insurance business (both demand side and supply side)

Operational issues

- Weakness in credit rating
- Lack of experience
- Uncertainty in legal framework (i.e. creditors rights, resolution)

*Collaboration with
Capital market/FMI/PPP
work is the key*

Proposed new structure

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**C A
P**

**4E Long – Term Investment
in Infrastructure**

**3B Disaster Risk Financing
and Insurance**

WG

**Retirement and Long-Term
Investments Working Group**

**Disaster risk financing and
Insurance Working Group**

SS

**Retirement Savings and
Lifetime Retirement Income**

Disaster Risk Financing
[called upon request]

**Capital Market and
Long-Term Investments**
in collaboration with
APFF Capital Market WS

Micro-Insurance
in collaboration with
Financial Inclusion Group

Regulation and Accounting

CG

Coordination Group

Asia Pacific Financial Forum (APFF) Insurance and Retirement Income Work Stream

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Asia-Pacific



A section on Asia-Pacific region, including Asia Pacific Financial Forum (APFF)

This is a sub-section under

- Insurance/Finance

Recent Posts – Asia Pacific

- APEC Finance Ministers officially endorsed the APFF interim report, Beijing, October 22, 2014
- Mack participated in the ASEAN Insurance Summit in Singapore, October 1, 2014

APEC Finance Ministers officially endorsed the APFF interim report, Beijing, October 22, 2014

APEC Financial Ministers officially endorsed the ABAC report, including the APFF interim report as annex, during the APEC Finance Ministers Meeting that took place on October 22 in Beijing. Please see the following statements: 1. Joint Ministerial Statement (See para...

Read more →

Mack participated in the ASEAN Insurance Summit in Singapore, October 1, 2014

The ASEAN Insurance Council (AIC), with the support of the ASEAN Secretariat, organized the inaugural ASEAN Insurance Summit, which was held at the Marina Bay Sands, Singapore on Wednesday, October 1, 2014. Centred around the theme of "ASEAN Economic Community...

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Members Only

- APFF Insurance and Retirement Income Workstream
- ABAC PWG

Resources

- National Center for APEC: The 2014 Asia Pacific Financial Forum
- ABAC (APEC Business Advisory Council)

Links

- Insurance-Finance.Com - Mack's comprehensive research site on insurance and finance

**For more details on the APFF, visit mackglobe.com
or email Makoto Okubo (m-okubo@nipponlifeglobal.com)
Or Paul Lynch (paul.f.lynch@prudential.com.hk)**