

Supervisory Capacity Building – Actuarial Services Partnership Agreement

The following is a Partnership Agreement between:

- The International Association of Insurance Supervisors (IAIS),
- The International Actuarial Association (IAA), and
- The Access to Insurance Initiative (A2ii).

These three organisations are referred to as the parties to this agreement.

1 Objective

The primary objective of this partnership is to increase the understanding and utilisation of actuarial skills by supervisory authorities. This is to enable actuarial skillsets to be leveraged to help ensure that the preconditions for observance of IAIS standards can be met and insurance business can develop in a robust and sound regulatory and supervisory environment. This will be achieved by establishing a global partnership between the IAIS, IAA and A2ii to support Supervisory Capacity Building in Actuarial Services (SCB-AS).

2 Outcome

The key outcome of this initiative will be the development and delivery of supervisory capacity building training programs and supervisory support on actuarial services ('activities'). It is intended that the program will have global reach, but be flexible reflecting regional diversity and varying needs, over a multi-year timeframe. Regions where the need is greatest will be prioritised for support.

An initial target is the delivery of two or three training activities per year; however, the number will finally be subject to available financial resources and capacity constraints.

To the extent practicable, activities will be developed and delivered with the intention that they are repeatable over time and regions.

3 Context

There is widespread evidence and agreement that there is an ongoing need for supervisory capacity building in all the major aspects of the insurance sector. In particular, an acute need exists in the area of prudential supervision. The application of actuarial skills is core to effective prudential supervision.

There is therefore a need to develop long-term and sustainable initiatives to deliver SCB-AS activities.

4 Partners

The IAIS, IAA and A2ii all have capacity building as an integral part of their missions.

All three partners have experience in developing and delivering supervisory capacity building.

Each partner contributes its respective strengths:

- The IAIS brings its unique value proposition for implementation reflecting its global credibility and reach, access to a global pool of experts and direct and member-confidential communication channels with supervisors. The IAIS will also provide strategic input from the supervisory perspective.
- The IAA brings its collective and significant subject matter expertise from the global actuarial profession. As a global body it also brings the capacity to seek out individual expertise from its member organisations. The IAA will provide also strategic input from the actuarial skills perspective.
- The A2ii brings its capacity for delivery of implementation activities and a capacity to seek and obtain funding from donors. The A2ii will also provide knowledge in supervisory capacity building as well as strategic input from the delivery and funding perspectives.

This partnership will reflect:

- *Global focus.* A global focus on actuarial skills and their importance for supervisors.
- *Regional engagement.* A framework for delivering high quality training and capacity building through regions. The depth of the capacity building can vary to reflect regional and individual supervisory needs.
- *Multi-stakeholder initiative.* Engage its three key parties at the strategic level and providing a framework for engaging other stakeholders in execution and delivery.
- *Long-term perspective.* Develop faculty expertise to support activities that will make delivery more efficient and effective by repeated application of skills and expertise, both within and between regions. It therefore also supports multiple approaches and the development of ongoing support systems and networking for supervisors beyond attendance at training events.
- *Tangible outcomes.* Delivering capacity building will generate materials that can be retained and shared. Such material may be accessed as needed by supervisors and so provide tangible long-term outcomes.

Combining the complementary strengths of the IAIS, IAA and A2ii generates a unique opportunity to jointly address an acknowledged supervisory capacity building need.

5 Partnership principles

All parties agree to:

- a) Support the ongoing need for supervisory capacity building in actuarial services.
- b) Recognise that the acquisition of actuarial skills and the effective communication and application of those skills for supervisory purposes are of equal importance.

- c) Recognise the diversity of needs between jurisdictions and insurance industry sectors. In particular, but not limited to, Emerging Markets and Developing Economies, and the demands of Inclusive Insurance and other key developments.
- d) Support each other in making their contributions to the partnership with timely information and input.
- e) Pursue actions and activities that are mutually agreed.
- f) Enhance the reputation of SCB-AS activities by delivering high quality outcomes consistently over time.
- g) Actively promote SCB-AS events and activities in an appropriate manner reflecting their strengths, memberships and commitments made
- h) Respect diversity, equity and inclusion in the execution of all activities under the Agreement.

6 Steering Committee

A Supervisory Capacity Building – Actuarial Services Steering Committee (SCB-AS SC) will be established. The SCB-AS SC will comprise of two representatives from each of the three parties. The heads of each party (or their delegates) are members of the SCB-AS SC. The SCB-AS SC meets at least annually to review progress and plans under the agreement and provide strategic direction.

Decisions made by the SCB-AS SC that require resources or financial support from any of the three parties will be subject to those resources or financial support being approved by each partner according to its own internal policies and practices.

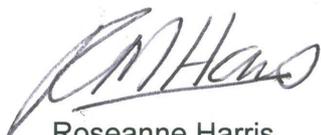
7 Resources

Key to the success of the Initiative will be obtaining funding and resources to carry out its activities. The A2ii, with support from the IAA and IAIS as necessary, will be responsible for identifying and engaging with funders to support the SCB-AS activities.

8 Term

The Partnership will be effective from 1 November 2022.

Unless terminated in writing by one of the partners, the Partnership will continue for five years following its effective date. Termination requires a notice period of three months.



Roseanne Harris
IAA President

17 June 2022



Victoria Saporta
IAIS Chair of Executive Committee

17 June 2022



Peter Braumüller
Chair A2ii Governing Council

17 June 2022