

Ladies and gentlemen, distinguished guests of the Conference on Global Insurance Supervision 2021 and esteemed members of the insurance community, I am happy and excited to address you once again despite the pressure of the Covid-19 conditions, I hope we'll be relieved sooner and meet at more normalized conditions on next occasions.

First, I have to present my thanks to the organizers of this event, both the people and institutions, who spent a lot of time and labor to achieve this important gathering.

Now, let me introduce myself: My name is Serap Oguz Gonulal, and I am Lead Financial Sector Specialist at the World Bank.

On behalf of our organizing institutions World Bank, EIOPA and the ICIR, colleagues and the teams - I am welcoming you all to the 7th edition of the Conference on Global Insurance Supervision.

During the conference, we will have the opportunity to address

- Technology and trends
- Regulation/supervision at a global level
- Sustainability, and
- Protection gap, resilience etc.

**The World Bank** supports the development of providers that can deliver the most appropriate sustainable risk transfer instruments in the form of risk pooling, risk reduction and risk managing. Now depending on the targeted group, that is served in its needs to transfer risk through insurance, the most appropriate provider will differ, ranging from an international insurer, a local niche insurer, a mutual company, a cooperative to the village associations, a reinsurer, or a technology company. The World Bank encourages the flexibility in the structure of the provider to fit the purpose of servicing a specific population in closing the protection gap that requires insurance in the most effective and sustainable way.

Today there are important protection gaps in all segments of the population that are suffering from the lack of stability and sustainability. Let me mention to you just a few:

Old age income protection, health insurance for the aging population, basic livelihood protection for the poor, income protection for SMEs and catastrophic protection especially in areas prone to catastrophic exposure which by the way are permanently increasing. **Which providers can cope with these challenges in a sustainable way? Current existing insurance notwithstanding its importance, is the only single tool to close the protection gap.**

As you will likely to know, the World Bank has been focusing on the improvement of the contribution of national insurance markets for the welfare of the society and individuals in countries which are in a developing phase. This Agenda provides the World Bank a vast experience on the issues at stake, issues that are not always known or properly understood. Among the main lessons learnt during the last decade let me highlight the three following ones, I am sure that you are concerned with them to a large extent ....

**Firstly**, improving the capital standards for insurance activities is just a very first step, a necessary condition but not enough. An appropriate governance and market conduct of insurers needs to be effectively implemented as well,

**Secondly**, even a reliable governance and a sound market conduct of insurers only make sense when insurers act according to appropriate purposes. In other words, insurers need an ethical framework focused on their contribution to the society in general, not only to a concrete group of stakeholders. In the current social and economic context, a license to operate in a risk-based framework is not just a bureaucratic evidence of compliance with a list of requirements, but also a commitment of the licensee to act at any moment and in any activity with a balanced respect of all interested parties (shareholders, policyholders, clients, potential clients, and society in general.).

**Thirdly**, and derived from the above, in countries in a developing phase the urgent issues are revolving around the contribution of their insurance sectors to the resilience of most of inhabitants to climate-change related risks and the involvement of insurance to prevent and diminish social exclusion, being the (utmost) highest topic at stake the discrimination of women and minorities. We have learnt that a real and actual development needs insurer to retain a sustainability centric approach, where the interests of all groups, and especially women, be protected as much as the capabilities of the actuarial and financial technics make possible.

It is not possible to deploy this crucial issue just in a few minutes, which deserves itself a meeting organized particularly to discuss these issue for several days. But it makes sense to draw your attention on a last consideration.

At this stage we are learning that globalization drives not only the worldwide spread of opportunities, but development focused just on a small part of the population does not lead to balanced and robust societies. Inclusion is a key factor at this junction. Insurance is a major player for inclusion (as an example, let's mention the capabilities of artificial intelligence and big data analytics applied to insurance as a powerful tool kit to foster inclusion. Innovative technology appears to offer solutions in the areas of underwriting, distribution and claims adjustments, and regulation in many countries is encouraging the use of these technologies, such as Big Data, Artificial Intelligence and Machine Learning.

Let me challenge this feeling with a question:

*Might insurance companies, regulators/supervisors play a more proactive role in promoting the resilience of countries in a developing phase to climate-change related risks and preventing and diminishing social exclusion, especially women?*

Let me be more provocative rephrasing the question:

Should such role be an important part of the purposes of the worldwide insurance groups?  
Should EU insurance supervisors pay attention also to this?

It is a question about developed insurers making their subsidiaries in countries in a developing phase an example of insurance activity managed in a manner with socially and climate-related sustainable way, acting as a motor for change in the right direction and cooperating with public and international institutions at the same time.

We should move forward in finding the right answers to the big challenges in closing the protection gaps through insurance in a sustainable and fair way.

Thanks very much joining us, and I wish all of us have interesting and valuable three conference days.