



3rd Conference on Global Insurance Supervision

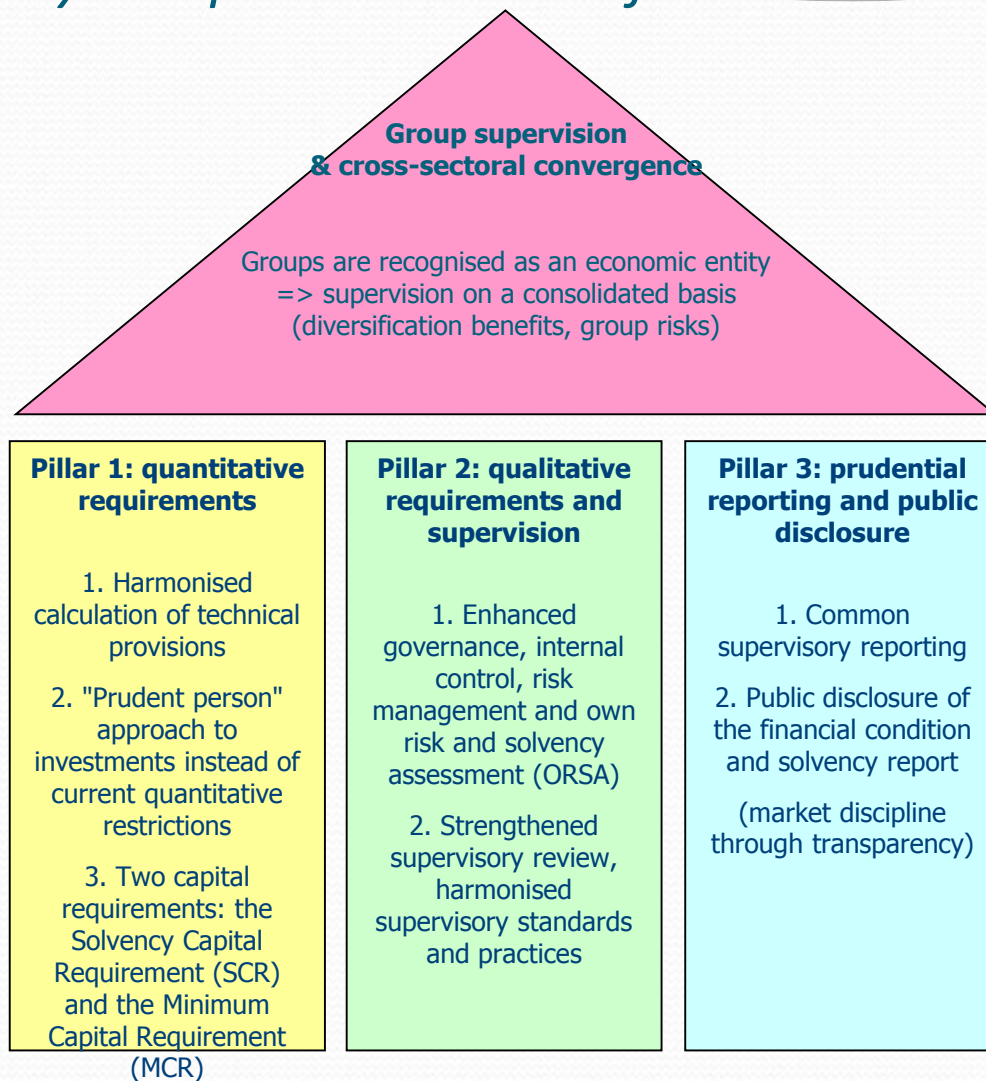
Fit for Global Thinking

Michel Noel
Finance and Markets Global Practice
Manager
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Frankfurt

The WBG approach

- The WBG is supporting developing countries and emerging markets to develop roadmaps towards risk-based supervision using Solvency II approach
- We are supporting countries to implement these roadmaps through advisory services and technical assistance

Solvency II: 3 pillars and a roof



ARGENTINA

Improve group supervision

Pillar 1: quantitative requirements

A guideline (including formula and calculation methodology) on solvency capital requirement and minimum capital requirement, to adapt the capital required to the risks faced by insurers.

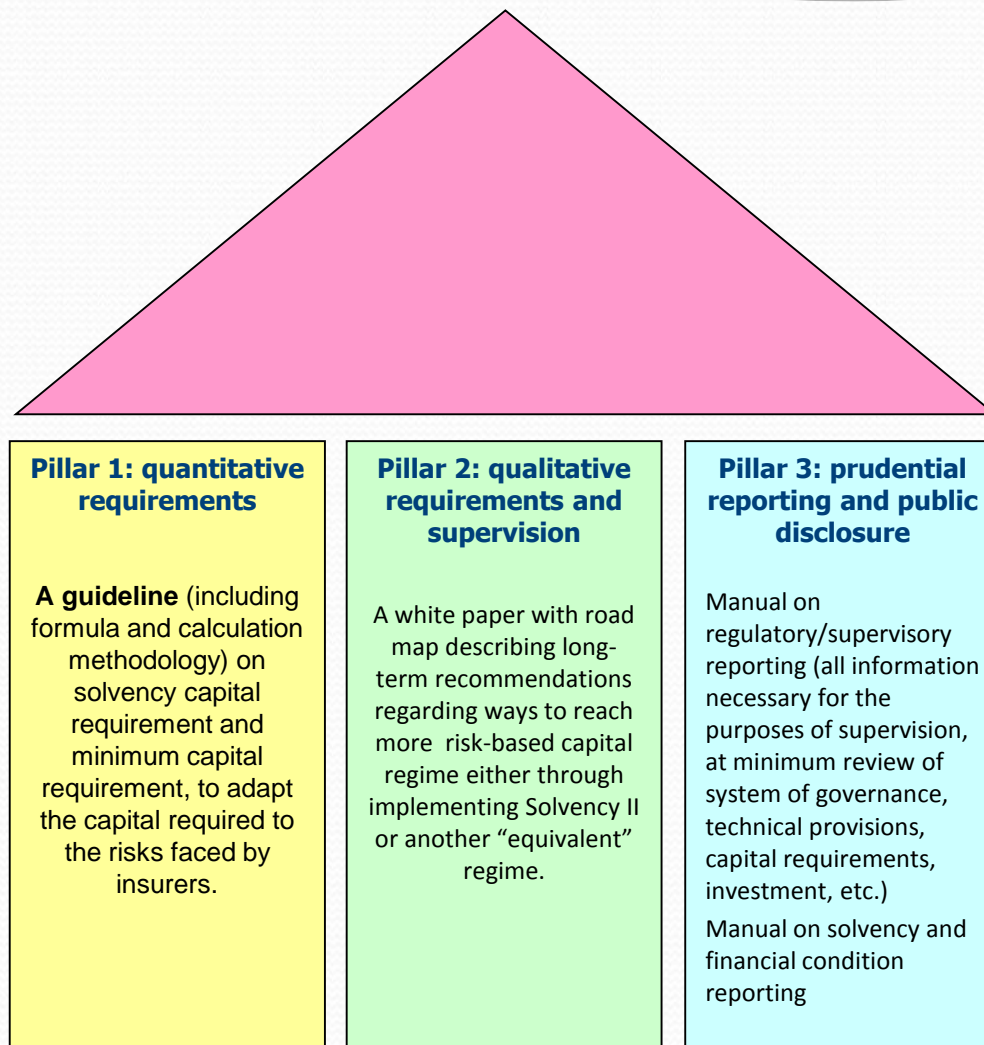
Pillar 2: qualitative requirements and supervision

Strengthened supervisory review, through on-site

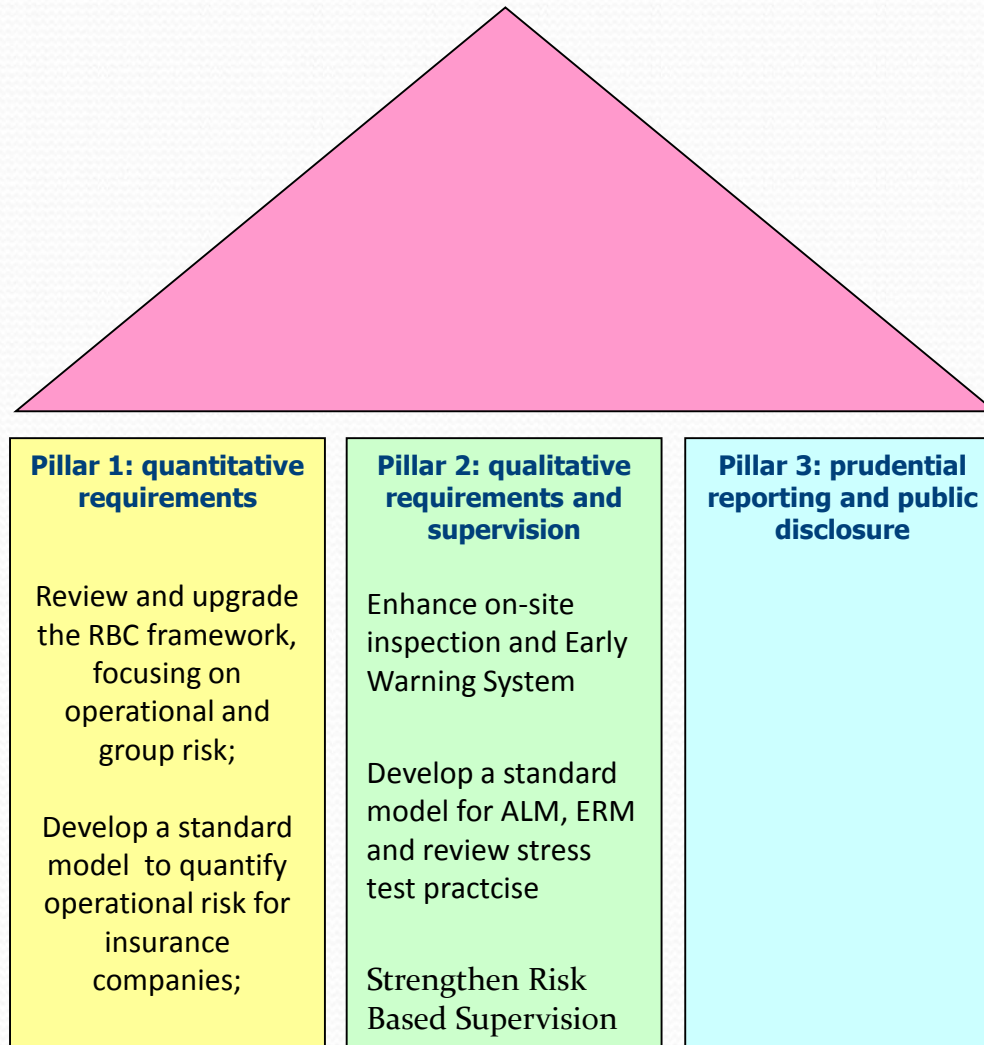
A Road Map along with a detailed action plan for moving from a quantitative, compliance-based approach, to a risk-based approach to regulation and supervision

Pillar 3: prudential reporting and public disclosure

Enhance the transparency of the insurance sector (market discipline) through enhanced disclosure requirements.



THAILAND



TURKEY

Strengthen group supervision

Pillar 1: quantitative requirements

Assess the existing solvency regime focusing mainly on RBC taking Solvency II approach as a basis, provide recommendations to improve Turkey's capital regime and develop new risk evaluation methods

Pillar 2: qualitative requirements and supervision

Upgrade supervisory review process and develop guidelines where need be, to reflect risks more accurately by harmonizing the rules at EU level;

Develop a road map on
a) dynamic solvency regime
b) principals & technical aspects of quantitative requirements of Solvency II;

Pillar 3: prudential reporting and public disclosure

Conclusion

Regulators/Supervisors

- We need a system designed to create incentives for sound risk management
- The supervisory architecture (for the highest policyholders protection)
 - Solvency should be highest priority
 - RBC
 - Data quality and transparency
 - Consistent accounting and actuarial valuation

Insurers

- Strengthen their risk management capabilities
- Create sustainable products
- Remain competitive in the global market place