



As the International Insurance Foundation prepares to celebrate its tenth anniversary, many recent developments highlight its success in furthering global standards for insurance markets worldwide. To

share the good news we are resuming the publication of Quarterly Reports, capitalizing on the efficiencies of internet distribution. This issue summarizes significant joint efforts with the International Association of Insurance Supervisors [IAIS] and the United States Agency for International Development [USAID], as well as technical assistance in several countries.

## Quarterly Report

### Summer 2006

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#### ***IAIS Core Curriculum Nears Completion***

For its entire history the International Insurance Foundation's signature accomplishment has been providing education for the supervisory personnel needed in emerging insurance markets. Together with The World Bank, the IAIS, and a cadre of former supervisors and other experts, over the last 3½ years the Foundation has worked on a Core Curriculum for Insurance Supervisors. This Core Curriculum includes a module for each of the 28 Core Principles of Insurance Supervision and 5 case studies. The Foundation provided a review of the existing literature, a design for the modules, specific learning objectives for each module, the actual text for two modules, and overall reviews and support. IIF Executive Director Robert Gibbons also presented the investment regulation module during a pilot seminar.

The World Bank, the prime funding source, led the project and provided the final editing of the modules. Since most of the modules have now been edited, the IAIS expects to unveil the Core Curriculum at its Annual Conference in October.

#### ***IIF Shows USAID how Insurance Helps Economies Grow***

The International Insurance Foundation recently completed a study for USAID showing that "insurance is an agent, not just a by-product, of economic growth." Thus technical assistance for insurance market development should be part of USAID's economic development agenda. The full report is available through the IIF website: [www.iifdc.org](http://www.iifdc.org).

According to IIF's Chairman, Andy Giffin, a Principal in the Tillinghast business of Towers Perrin: "The IIF report, authored by Bob Gibbons and IIF Research Director Ian Webb, was well-received by USAID, providing a series of recommendations to guide future technical assistance."

The report's key recommendations for technical assistance include:

- Improving insurance market supervision by encouraging application of the Insurance Core Principles promulgated by the International Association of Insurance Supervisors and other global best practices.
- Encouraging collection and sharing of insurance and risk data to support efficient risk assessment and insurance pricing
- Building actuarial and other professional education and continuing practice development
- Educating markets and consumers on the advantages of insurance and related financial services, as well as marketplace standards
- Facilitating the development of new markets, such as for rural areas and low-income populations

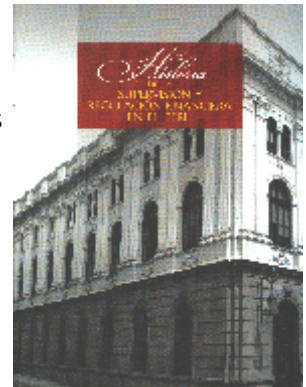
## ***History of Peru's SBS Cites IIF Contribution***

To celebrate its 75<sup>th</sup> Anniversary in May Peru's Superintendency of Banks and Insurance [SBS] published a history of financial supervision in Peru. One section describes the modernization of the supervisory structure in accord with the government's decision to comply with all global standards by 2008. A portion reads as follows:

In 2004 the SBS retained the International Insurance Foundation, an institution with renowned standing in the international insurance industry, to evaluate its compliance with the Insurance Core Principles. This work was done as part of an initiative underway at the Superintendency to strengthen its supervisory effectiveness. According to the evaluation carried out by the IIF, Peru complied with approximately 80% of these principles.

As total compliance with the principles of the IAIS is a priority of the Superintendency, the results of the IIF evaluation have been used as a guide to develop an action plan for achieving complete compliance, within a time frame of approximately 2 to 3 years.

The implementation of this Plan during 2005 brought a number of advances achieving greater compliance with the core principles regarding the exchange of information between supervisory agencies; the specialization and quality of supervision carried out during on- and off-site analysis; the implementation of a system of early-warning and vulnerability indicators for life and non-life insurers; the regulation of sanctions; the coordination between supervisory departments to achieve a more effective consolidated supervision of insurers and other related entities; evaluation of compliance with regulations aimed at preventing money laundering.



## ***CAFTA Pushes Central America toward Harmonized Insurance Markets***

In the past conflicting regulations, dominant local interests, and small size have thwarted the development of Central American insurance markets. The Central American Free Trade Agreement [CAFTA] will remove protectionist barriers in Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua, enabling insurers to build scale by offering similar products in neighboring countries. A wave of regional consolidation has begun, and most of these markets are experiencing robust premium growth. The region's financial supervisors are now working to harmonize their regulations. During the last half of 2006 the IIF will be assisting Nicaragua's Superintendent of Banks and Other Financial Institutions in revising the country's insurance law and regulation to comply with CAFTA and with global standards.

## ***Saudi Arabia Builds Insurance Supervisory Capacity***

The Saudi Arabian Monetary Agency [SAMA] has designated a team within the agency to be responsible for the supervision of the newly licensed insurance companies in the Kingdom. To make sure the team has thorough grounding in global standards and best practices, SAMA has chosen the International Insurance Foundation to develop and conduct a comprehensive staff training program based on the IAIS Core Principles.

## ***David Singer to Address IIF Symposium in September***

M.I.T. professor David Andrew Singer, author of a new book on global financial regulation, will join a distinguished array of speakers at the IIF Annual Meeting Symposium in Washington on September 22. Held in conjunction with the Foundation's Tenth Anniversary Celebration, the Symposium's theme will be **"Rules that Work for Everyone: the Emerging Global Regulatory Framework."** For more details on the Symposium, see the IIF website: [www.iifdc.org](http://www.iifdc.org).

***Independent research and education furthering global standards for insurance markets worldwide***