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Public Disclosure: Global Insurance Data

W. Jean Kwon, Ph.D., CPCU

E.A.G. Manton Chair Professor in International Insurance & Risk Management
Director, the Center for the Study of Insurance Regulation
Research Director, International Insurance Society

The School of Risk Management, Insurance and Actuarial Science
St. John's University, New York

KwonW@stjohns.edu

Disclaimer

This presentation is based in part on the projects the author has been conducting with the OECD (Financial Affairs Division) that cover (1) insurance data collection and dissemination by participating insurance regulatory/supervisory authorities in two series of surveys (Asia in 2011 and ASSAL in 2013) and (2) *Analytical Tools and the Global Insurance Statistics Framework* study (ongoing). The latter project is intended to support the development of analytical tools in OECD Member and non-Member countries, highlight data sources and needs, and contribute to the identification of data gaps that could be addressed by adjustments to the OECD Global Insurance Statistics Framework (GIS). His papers/presentations can be found at <http://www.oecd.org/daf/fin/46151324.pdf> and <http://www.oecd.org/daf/fin/49674784.pdf> .





Public Disclosure Guidelines within the ICPs

ICP 3

Information Exchange...

- **A framework to facilitate the efficient...provision of information**
- **Tools**
 - Multilateral Memorandum of Understanding (**MMoU**)
 - Bilateral Memoranda of Understanding (**MoU**)
 - Supervisory colleges

ICP 9 & 16

Supervisory Review/Reporting; Enterprise Risk Management (ERM)

- **A risk-based approach to supervision**
- **Coverage area: review and reporting**
 - Financial statements (including balance sheet commitments)
 - Market analyses, internal models, insurers' own risk and solvency assessments (ORSA)
 - Data processing timely and effectively
 - Collection, storage and dissemination
- **Enterprise Risk Management (ERM)**
 - Including ORSA

ICP 14 & 15

Valuation; Investment

- **Substantial consistency in valuation methodology desirable, thus needing financial reporting standards**
 - International Financial Reporting Standards (IFRS)
 - International Accounting Standards Board (IASB)
- **Coverage areas (selected)**
 - Assets, technical provisions (including discounting), and capital valuation
 - Stress and scenario testing
 - Investment

ICP 20

Public Disclosure

- **Requires insurers to disclose relevant, comprehensive and adequate information timely**
 - To enhance market discipline and understanding of the risks to which an insurer is exposed and the manner in which those risks are managed
- **Information presented in any generally accepted national and international standards and practices so as to aid comparisons between insurers**
- **Adequate public disclosure**



Issues in Insurance Statistics: A Case of Asian Countries (2010)

Issues

Insurance Data Collection and Dissemination

- **Timeliness in data collection**
- **Scope and quality of data**
 - Collection cost incurred by the regulator
 - Compliance cost incurred by the regulated
- **Dissemination**
 - Raw data vs. summary data
 - Hardcopy vs. online
 - Consistency across countries

Public Data Accuracy: Asian Countries

Licensed Insurance Companies

	AXCO as of September 10, 2010					ISIS as of September 2010					Government and Association					
	L	N	C	R	TOTAL	L	N	C	R	TOTAL	L	N	C	R	TOTAL	
Bangladesh	21	44	0	0	65	60	16	44	0	120	19	43			62	
Brunei Darussalam	3	5	3	0	11	2	1	1	0	4	No Subtotal Provided					
Bhutan	N/A					N/A						2			2	
Cambodia	0	5	0	0	5	6	0	6	0	12		5		1	6	
China	56	47		9	112	122	62	58	2	244	61	52		8	121	
Hong Kong	46	107	19	0	172	102	22	78	2	204	45	92	14	19	170	
India	23	22	1		46	46	22	24	0	92	23	24			47	
Indonesia	45	90	0	4	139	47	7	40	0	94	46	28		4	78	
Japan	45	27	0		72	116	62	54	0	232	47	28		2	77	
Korea	22	23	0	0	45	39	16	23	0	78	23	21		9	53	
Laos	0	1	0	0	1	1	0	1	0	2		5			5	
Macau	N/A					0	8	3	5	0	16	11	12		11	12
Malaysia	9	24	18	7	58	70	11	44	15	140	9	24	7	7	47	
Mongolia	1	15			16	N/A					0		5		5	
Myanmar	1				1	N/A					0		2		2	
Nepal	8	16	1	0	25	17	4	13	0	34	9	16			25	
Pakistan	10	30		1	41	44	7	37	0	88	9	59			68	
Philippines	32	87	3	1	123	125	34	90	1	250	30	81	4	1	116	
Singapore	18	45	5	23	91	44	9	33	2	88	11	45	6	25	87	
Sri Lanka	1	4	14		19	19	3	6	10	38	2	5	11		18	
Taiwan	25	24		1	50	41	19	22	0	82	30	22		3	55	
Thailand	25	72			97	52	8	44	0	104	25	48			73	
Vietnam	11	27			38	8	0	8	0	16	10	24			34	
Total	402	715	64	46	1227	969	306	631	32	1938	410	643	42	80	1187	

- The findings are preliminary and subject to minor counting error. AXCO does not directly collect this information.
- **Bangladesh** (The life insurance data by AXCO includes three takaful companies.); **Brunei** (All composite insurers reported by AXCO are takaful companies.); **Japan** (The 27 companies by AXCO include 18 foreign branches and 3 insurance holding companies. AXCO also reports that there are 59 co-operative insurance carriers and 64 "short-term small-amount (SSI)" insurance carriers.); **Malaysia** (The reinsurance data by AXCO includes five nonlife insurers). **Pakistan** (AXCO quotes that eight for life insurance includes two health insurers. It also quotes two life and three nonlife takaful insurance companies.); and **Taiwan** (The number for nonlife includes one co-operative company.)
- Of the 969 companies it reports, the Fitch rating information is provided for 532 companies (or 54.9% of the sample).

Data from the Private Sector

The ISIS Case – Data Availability Based on a Reporting Basis

Country	Total	Reporting Basis		Report Unavailable	Percentage Available
		Consolidated	Unconsolidated		
Bangladesh	60	1	13	46	23.3%
Brunei Darussalam	2	0	2	0	100.0%
Cambodia	6	0	2	4	33.3%
China	122	8	112	2	98.4%
Hong Kong	102	18	41	43	57.8%
India	46	1	15	30	34.8%
Indonesia	47	10	37	0	100.0%
Japan	116	27	74	15	87.1%
Korea	39	1	38	0	100.0%
Laos	1	0	1	0	100.0%
Macau	8	0	3	5	37.5%
Malaysia	70	15	52	3	95.7%
Nepal	17	0	0	17	0.0%
Pakistan	44	0	41	3	93.2%
Philippines	125	5	39	81	35.2%
Singapore	44	12	31	1	97.7%
Sri Lanka	19	6	9	4	78.9%
Taiwan	41	2	31	8	80.5%
Thailand	52	0	52	0	100.0%
Vietnam	8	2	6	0	100.0%
Total	969	108	599	262	73.0%

2011 OECD Survey: 19 Asian Countries



Key Findings

2011 Survey of Asian Countries

- **Coordination of data/statistics collection processes**
 - Delays in data collection in selected countries
 - Efficiency in data verification in selected countries
 - Account closing date inconsistent
 - Need for codification exercise in line with international development, for example, financial statement entries
 - IT support need in selected countries

Key Findings

2011 Survey of Asian Countries

- **Systemic approach for data dissemination**
 - In the public domain
 - Government agencies or their delegates
 - At the regulated company's domain
 - To private statistical agencies

2013 OECD Survey:

16 ASSAL Member Countries



Key Findings

2013 Survey of ASSAL Member Countries

- **Most countries have a data collection template and collect and publish statistical information through a single agency in charge.**
- **The data is submitted mainly electronically**
 - 37% monthly, 21% quarterly, 21% semi-annually
- **The audited financial statements are as of December of each year in most countries.**

Key Findings

2013 Survey of ASSAL Member Countries

- **Most countries validate the data within 50 days on average.**
- **14 countries publish for free on the Internet. The countries have an average of 20 years of statistical information.**
- **8 countries plan to improve its data collection methods.**
- **Manpower and IT issues in selected countries**



Buscar

Estadísticas

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| <input type="checkbox"/> Prima Directa: Daños y Vida | <input type="checkbox"/> Prima Retenida Neta: daños y vida |
| <input type="checkbox"/> Prima Directa Per-Capita | <input type="checkbox"/> Prima Directa como % del PIB |
| <input type="checkbox"/> Prima por Ramo | <input type="checkbox"/> Prima Retenida por Ramo |
| <input type="checkbox"/> Costos Daños y Vida | <input type="checkbox"/> Costos de Sinistros por Ramo |
| <input type="checkbox"/> Costos de Adquisición por Ramo | <input type="checkbox"/> Total Activos |
| <input type="checkbox"/> Total Patrimonio | <input type="checkbox"/> Total Invers. Daños y Vida |
| <input type="checkbox"/> Total Inv. por tipo de Activo | <input type="checkbox"/> Total Res. Tcas. por Daños y Vida |
| <input type="checkbox"/> Datos generales de país | |

Países

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| <input type="checkbox"/> Brasil | <input type="checkbox"/> Chile | <input type="checkbox"/> Colombia |
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| <input type="checkbox"/> Portugal | <input type="checkbox"/> Puerto Rico | <input type="checkbox"/> Rep. Dominicana |
| <input type="checkbox"/> Uruguay | | |

Periodo

Desde Hasta

Summary Notes and an Initiative



Summary of the Surveys

- Key findings

- Timeliness
- Accuracy
- Data Collection efficiency
- Standardization
- Regional/Global coordination

- Suggestions

- Accounting principle and codification
- Data scope, insurer compliance, and quality control
- Technical and IT support

Future Perspectives

Global Standard & Academic Perspectives

- **Global coordination for data collection and dissemination**
 - Consumer protection and right
 - Market/industry development
 - Local
 - Cross border
 - Regulatory harmonization
 - Regional
 - International
- **Continuity and consistency in data management**
 - Better assessment of local markets
 - Improvement in comparative study
- **Comprehensive global databases still not available**

An Initiative

- **Expansion of the OECD Global Insurance Statistics to include more non-OECD member states**
- **Understanding of key statistical and financial methodologies governments use for insurance supervision**
 - At the national level
 - For consistency in data comparison across countries
 - For better understanding of the methodologies
 - Regulators, insurers, policyholders and other stakeholders

Thank You!



KwonW@stjohns.edu