



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Agricultural insurance: inclusion and climate change

Conor Donaldson



Insurance Markets and Economic Development

Clear relationship between insurance markets and economic growth – even stronger relationship in developing economies

- Protects People and Business
- Supports Economic Growth

Effective regulation and supervision matters if we want to realise the benefits of insurance

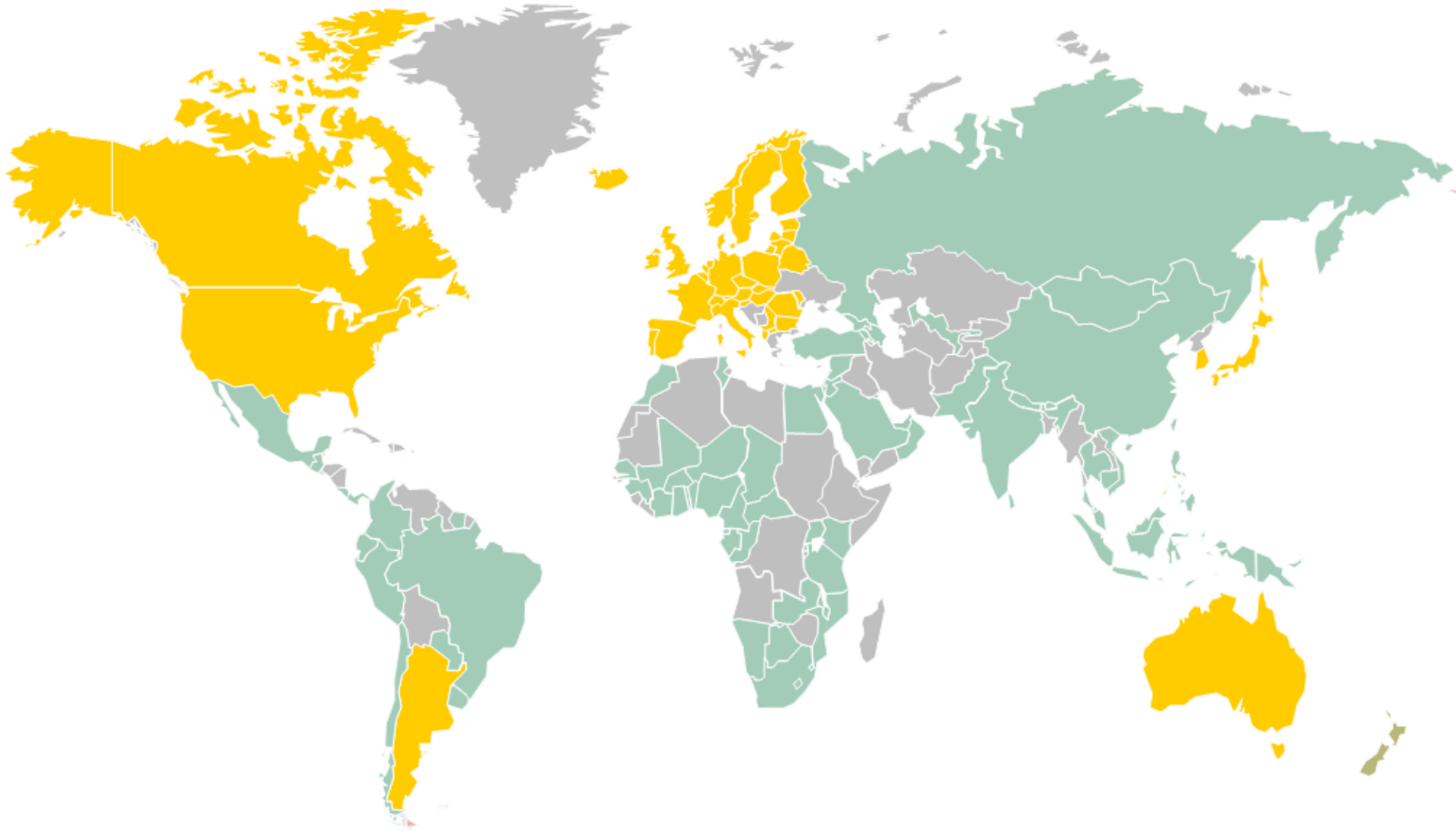
- high level of asymmetry of information between providers and consumers
- “business of promises” that requires confidence and trust in the industry if markets are to develop and grow.
- Effective regulation and supervision build consumer confidence and trust

Growing Insurance Markets

- Global increases in insurance markets driven by Emerging and Developing Markets.
 - *Insurance markets growth in these markets is often faster than GDP growth*
 - *GDP growth rates in last decade: EM ~4+%, Developed ~1+%*
 - *Almost 20% of global insurance premiums from EMs, and this proportion is increasing annually*

The IAIS and its role in supporting supervisors

- More than **half of IAIS Members** come from Emerging Markets and Developing Economies
- Our standard setting, financial stability and implementation activities take into account the market heterogeneity

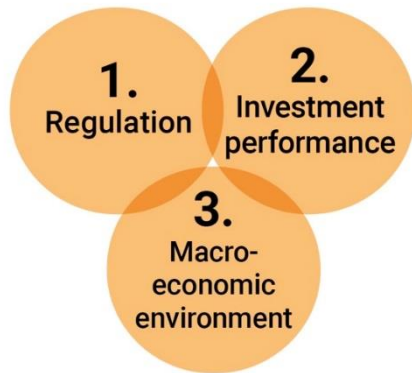


The New Environment: Emerging(ed) risks

Insurance Banana Skins

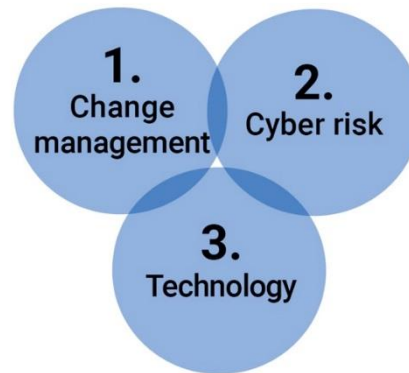
Top Ten 2013 - 2017

2013



4. Business practices
5. Natural catastrophes
6. Guaranteed products
7. Quality of risk management
8. Quality of management
9. Long tail liabilities
10. Political interference

2017



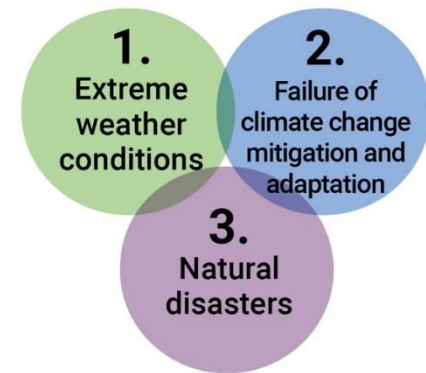
4. Interest rates
5. Investment performance
6. Regulation
7. Macro-economy
8. Competition
9. Human talent
10. Guaranteed products

Source: CSFI/PWC 2017 Survey

The Top Five global risks

in terms of likelihood

2019

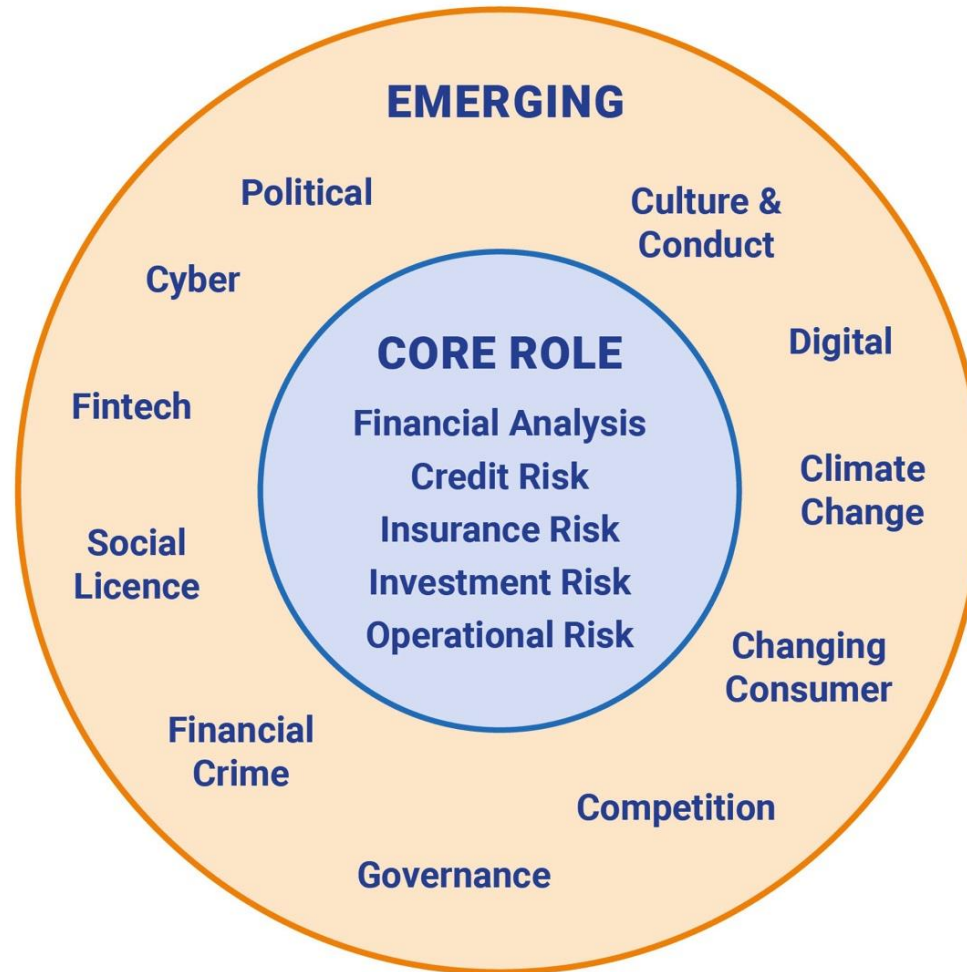


4. Data fraud or theft
5. Cyber-attacks

Source: WEF: Global Risk Report 2019

The Changing World in which we Operate

Expanding Supervisory Paradigm



- **IAIS Access agenda**
 - Financial inclusion and access to insurance
- **Climate Risk**
 - Changing nature of risks
- **Agriculture Insurance**
 - Risk management tools

Contact information

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