

Comments on IAIS Application Paper on the Regulation and Supervision of Mutuals, Cooperatives and Community Based Organisations in Increasing Access to Insurance Markets

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Insurance Europe welcomes the opportunity to comment on the IAIS Application Paper on the Regulation and Supervision of Mutuals, Cooperatives and Community Based Organisations (MCOOs) in Increasing Access to Insurance Markets. We particularly recognise and appreciate the attention to the specific nature of MCOOs, and the understanding that they play an important role in a healthy and diverse insurance sector.

The Application Paper illustrates how diverse MCOO entities are, and that there is a need to proportionately supervise such entities. Insurance Europe recognises the challenge of creating definitions that describe such a diverse set of entities.

The paper's objective may be too ambitious in that it attempts to achieve the simultaneous goals of a) addressing MCOOs' role in enhancing access to insurance markets (a policy objective), and b) setting out supervisory approaches for the application of the Insurance Core Principles (ICPs) (a supervisory objective). This causes confusion amongst readers, and makes the implication that MCOOs exclusively have a role as providing access to insurance in emerging and developing markets. Instead, we would stress that MCOOs are equally part of a well-developed and diverse insurance market.

Insurance Europe believes that the content of the paper would be better served if the IAIS would split this Application Paper into two papers, which look at each of these objectives individually. This would clarify the role of MCOOs for supervisors, and lead to a more focused treatment of the issues.

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