



Highlight in this issue...



IFIGS Survey on COVID-19 Impacts

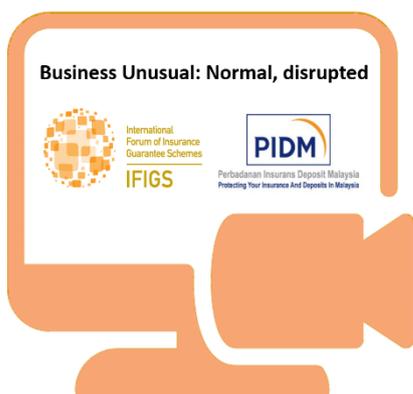
IFIGS conducted a survey of the Membership from April 28 to May 22 regarding the impact of the COVID-19 pandemic on their respective jurisdictions' financial sector and regulatory / supervisory environment - as well as on their policyholder/guarantee schemes. IFIGS received 20 responses from 17 jurisdictions. This high response rate reflected strong engagement from our Members, and highlighted the important benefits of information sharing within IFIGS. The COVID-19 pandemic has not only significantly affected the global economy but has also changed many aspects of our daily lives. Such transformation was reflected in the survey results, providing insight into what the post COVID-19 working environment may look like in the near future. To briefly summarize the responses, the majority of IFIGS Members have shifted to working remotely to ensure the safety and health of staff while ensuring the business remains fully functional. The use of video-conferencing platforms instead of in-person meetings has become more common. Many IFIGS Members have activated their Business Continuity Plans and continue their communication activities with the public and insurers via various communication channels. Fortunately, the pandemic has not yet caused financial distress of any insurance companies in Members' jurisdictions, however, there are rising concerns over a global recession that could have a negative impact on the insurance industry.

IFIGS will continue to closely monitor the COVID-19 situation and keep Members informed of any noteworthy developments.

Summary of the Survey Results – Page 5

SAVE THE DATE

Join a Webinar Organized by Malaysia Deposit Insurance Corporation (PIDM) in Collaboration with IFIGS



IFIGS and PIDM are jointly hosting a webinar to provide an exciting opportunity to discuss and exchange ideas among the IFIGS Membership on the issues and challenges related to COVID-19. We look forward seeing you in the webinar!

“Business Unusual: Normal, Disrupted”

Date: Wednesday, July 8, 2020

Time: 19:00-21:00 (GMT+8)

Platform: Microsoft Teams

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Report from the Chair

Dear IFIGS Colleagues,

Over the last few years, IFIGS has sought to enhance its profile with key regulators and build its reputation as a reliable and well-informed partner for prudential supervisors thinking about means to enhance policyholder protection in their jurisdictions. Our Membership approved a draft “Framework Guidance” at our Annual General Meeting last December in Washington, D.C., and authorized the Management Committee to share this draft with EIOPA and IAIS to seek input and feedback. I am most pleased to report that as I write this quick note, we have now received significant and timely feedback directly from Members of the Resolution Working Group at IAIS. I will be working closely with the Profile Enhancement team to incorporate this invaluable input into a new draft for review by our Members.



Alister Campbell
President & CEO
PACICC, Canada

Arrivals & Departures



Alex Kuczynski
Former Senior Executive
FSCS

IFIGS wishes to express its appreciation to **Alex Kuczynski** (Financial Services Compensation Scheme, UK), for his leadership and contribution to IFIGS as Chair of Profile Enhancement Working Group, and particularly his recent work on developing our Draft Framework Guidance. IFIGS would like to wish Alex all the best in his future endeavours!



Karen Gibbons
Head of International
Liaison and Research
FSCS

We would also like to welcome **Karen Gibbons** from FSCS who will be working with IFIGS going forward.

Karen was heavily involved with the Tripartite Authorities (HM Treasury, Bank of England and the FSA) work on banking and depositor protection reform. This involved working on policy relating to the *Banking Act 2009*, as well as the subsequent public policy consultations.

In the role of Head of International Liaison and Research, Karen is responsible for leading any international policy work which may impact FSCS or the wider UK financial sector. Karen's role in international relations has led to a number of fact-finding missions to other countries as well as close involvement with the FSCS's participation in IADI, EFDI and IFIGS. Karen is a member of IADI's Executive Committee and currently acts as the Vice-Chair of the IADI Training and Technical Assistance Council Committee and the Capacity Building Technical Committee as well as being Chairperson of the EFDI Investor Compensation Scheme Working Group and the EFDI Fintech Working Group.

Karen's background is in retail banking and she worked for a major UK Bank across a range of departments for 16 years. Karen has a degree in Politics, Philosophy and Economics.



Key Activities from the Second Quarter, 2020



Management Committee

The Management Committee and the Working Group Chairs have continued to track the progress of all IFIGS's activities through monthly conference calls. During the second quarter, the Management Committee focused on AGM planning amid the coronavirus outbreak, as well as regulatory interface with IAIS and EIOPA. Recently, the Management Committee has worked in collaboration with PIDM (Malaysia) to prepare for a mid-year webinar for IFIGS.

Profile Enhancement

With the departure of Alex Kuczynski, Grant Kelly from PACICC has agreed to serve as the Interim Chair of the Working Group. The Working Group is currently developing a Work Plan, which will include work on the critical next draft of the Framework Guidance.



Working Groups

Information Sharing

Information Sharing Working Group Chair Jinwoong Kim (KDIC) conducted a survey on COVID-19 related measures being adopted by Members to ensure the effectiveness of their own IGS. The survey results and a summary have now been released to IFIGS Members.

Member Outreach

Despite the COVID-19 outbreak, Member Outreach Working Group Chair Joerg Westphal (Protektor AG) continued to engage with several prospective members. There are some countries engaged in internal discussion regarding possible IFIGS membership. Stay tuned!

IFIGS Member Profile: Malaysia Deposit Insurance Corporation (PIDM)



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

The Malaysia Deposit Insurance Corporation ("PIDM") is a statutory body established on September 1, 2005 under the *Malaysia Deposit Insurance Corporation Act*, to administer the deposit insurance system and to act as the resolution authority for member banks. In response to the 2008 global financial crisis, PIDM administered the temporary Government Deposit Guarantee ("GDG") that took effect from October 16, 2008 to December 31, 2010. With the exit of GDG, PIDM's mandate was expanded to administer the Takaful and Insurance Benefits Protection System (TIPS) for the insurance sector and to act as the resolution authority for insurer members.

In 2013, PIDM was assessed to be broadly compliant with the international standards for effective deposit insurance systems under the Financial Sector Assessment Programme, conducted jointly by the International Monetary Fund and the World Bank. As an integral part of the national financial safety net, PIDM works continuously on strengthening its role of protecting financial consumers, and as a resolution authority in contributing to the stability of the Malaysian financial system.

Malaysia Insurance Guarantee Scheme at a Glance

(RM4.0925/USD, as of December 2019)

Sectors	No. of FIs*	Total Assets	Coverage Limit	Premium Rates** [Assessment Base]	Fund Size
Life Insurer	25	RM287 bil	RM500,000	Conventional & takaful: 0.025% - 0.2% (Actuarial valuation liabilities)	RM0.5 bil
Non-Life Insurer	25	RM43 bil	RM500,000	Conventional: 0.025% - 0.2%; Takaful: 0.1% - 0.8% (Net premiums)	RM1.3 bil

* FIs include conventional insurers and takaful operators carrying on Islamic insurance business

** Differential levy system



IFIGS WEBINAR: “Business Unusual: Normal, Disrupted”

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Jointly presented by...



International
Forum of Insurance
Guarantee Schemes
IFIGS



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Webinar Agenda

1900 **Opening Remarks**

Alister Campbell, President & CEO, PACICC and Chair, IFIGS

1910 **Session #1 – Regulatory Measures**

*Speaker: **Jeffery Yong**, Financial Sector Specialist, Financial Stability Institute
Topic: “Insurance Regulatory Measures in Response to COVID-19”*

1930

*Speaker: **Conor Donaldson**, Director, Implementation, IAIS
Topic: “Further Regulatory Measures to be Expected?”*

1945 **Session #2 – Crisis Responses**

*Speaker: **Yangig Cho**, Executive Director, KDIC and First Vice Chair, IFIGS
Topic: “Overview of IFIGS Member Responses to the COVID-19 Survey”*

2000 **Session #3 – Panel Discussion (“Business Unusual: Normal, Disrupted”)**

*Speaker: **Zainal Abidin Mohd Kassim**, Senior Partner and Managing Director
Actuarial Partners Consulting
Topic: “Business Outlook for Insurers”*

*Speakers: **Nikhil da Victoria Lobo**, Regional Leader Americas, Public Sector
Solutions, Swiss Re*

***Jackie Higgins**, North America Head, Public Sector Solutions
Swiss Re*

Topic: “Implications of COVID-19 for the Global Insurance Marketplace”

Question & Answer Session

2100 **Closing Remarks**

***Rafiq Azuan Abdullah**, Chief Executive Officer, PIDM*

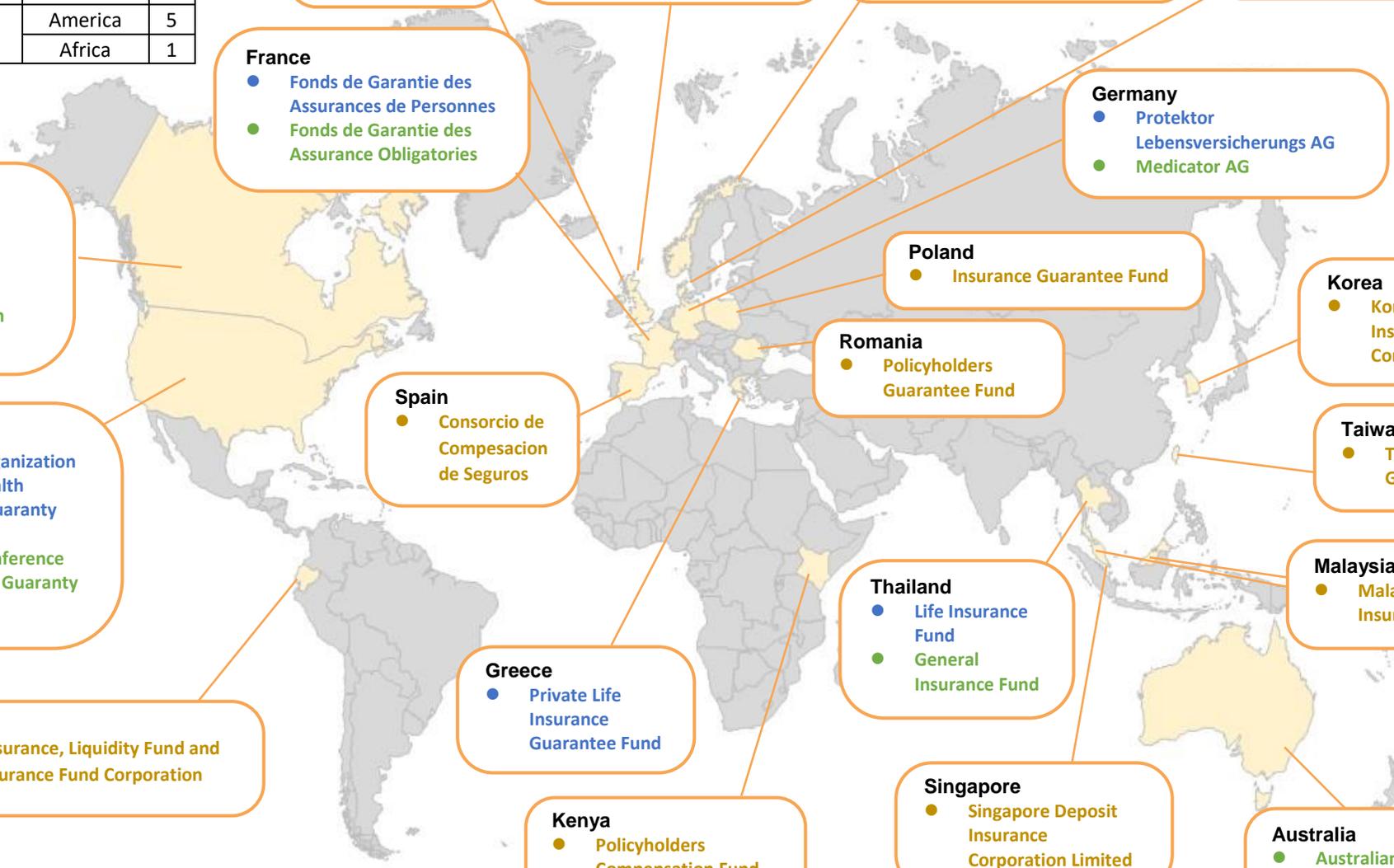


Summary of Results – IFIGS COVID-19 Survey (Continued from page 1)

Questions	Summary of Responses
1. Describe any changes in the regulatory and supervisory measures to support financial stability in the insurance sector.	The COVID-19 pandemic has significantly affected global economic growth. Governments, central banks, and relevant authorities in many jurisdictions announced fiscal and monetary stimulus and regulatory adjustments, according to their respective economic conditions, in order to sustain economic activities.
2. Describe the measures your organization is adopting to address the COVID-19 pandemic in the following areas:	
a. Health controls (e.g. staff hygiene, social distancing measures).	To ensure the safety and health of staff, the majority of IFIGS Members started working remotely from home. Meetings have been held via video conferencing platforms (e.g. Skype, Zoom, etc.), and heightened hygiene practices have been undertaken (e.g. temperature check, periodic sanitization of offices, placing polycarbonate dividers in common areas, etc.).
b. Public awareness monitoring and communications activities for policyholders.	Many IFIGS Members have maintained their communication activities with the public and insurers via toll-free call centres, websites, and social media communications. Some Members have provided information to member insurers to deal with this pandemic and any future crises. Some Members have posted FAQs and general information messages on websites to reassure consumers, due to an increase in enquiries about claims.
c. Changes to coverage, levies or premiums (e.g. premium reductions or deferments) introduced or contemplated.	IFIGS Members responded that there was no change in coverage, levies or premiums prompted by COVID-19. PACICC (Canada) coincidentally introduced a series of enhancements to its coverage and benefits in April. COSEDE (Ecuador) is currently analyzing the impact of deferral of contributions to the Fund.
d. Business continuity planning, crisis preparedness and crisis management activities (e.g. identification of core resources and activities, establishing remote operations).	Many IFIGS Members have activated their Business Continuity Plans and have taken measures according to their level of crisis (e.g. working from home, splitting team arrangements, identifying key workers, enhanced monitoring, etc.). Some Members also shared the plan template with insurers.
e. Other relevant measures taken or planned that you believe need to be further emphasized in response to the impact of COVID-19 (e.g. information sharing and co-ordination arrangements between the IGS and other financial safety-net participants, risk monitoring, etc.)	Many IFIGS Members are closely monitoring developments and possible risks related to COVID-19 for life insurers by collecting information and identifying the areas of risks. Also, Members are closely working with fellow schemes and other financial safety-net participants.
3. Has the COVID-19 pandemic caused any insurers in your jurisdiction to become “financially distressed”?	Despite the challenging environment caused by the COVID-19 pandemic, insurers in each jurisdiction have remained resilient and are not financially distressed at this time. However, there is a growing concern over the long-term impact on the insurance industry if the recession is prolonged. IFIGS Members are closely monitoring the market and the liquidity and solvency of the industry.

IFIGS Members (as of June 2020)

Quick Look			
Membership		By Continent	
Full	25	Europe	12
		Asia	7
Associate	2	America	5
		Africa	1



Isle of Man

- Life Assurance Regulations

United Kingdom

- Financial Services Compensation Scheme

Norway

- The Norwegian Non-Life Insurance Guarantee Scheme

Denmark

- Guarantee Fund for Non-Life Insurers

France

- Fonds de Garantie des Assurances de Personnes
- Fonds de Garantie des Assurance Obligatoires

Germany

- Protector Lebensversicherungs AG
- Medicator AG

Canada

- Assuris
- Property and Casualty Insurance Compensation Corporation

Poland

- Insurance Guarantee Fund

Korea

- Korea Deposit Insurance Corporation

United States

- National Organization of Life & Health Insurance Guaranty Association
- National Conference of Insurance Guaranty Funds

Romania

- Policyholders Guarantee Fund

Taiwan

- Taiwan Insurance Guaranty Fund

Spain

- Consortio de Compesacion de Seguros

Malaysia

- Malaysia Deposit Insurance Corporation

Ecuador

- Deposit Insurance, Liquidity Fund and Private Insurance Fund Corporation

Greece

- Private Life Insurance Guarantee Fund

Thailand

- Life Insurance Fund
- General Insurance Fund

Kenya

- Policyholders Compensation Fund

Singapore

- Singapore Deposit Insurance Corporation Limited

Australia

- Australian Prudential Regulation Authority

- Life Insurance Guarantee Scheme
- Non-Life Insurance Guarantee Scheme
- Life & Non-Life Insurance Guarantee Scheme

Editor: KDIC
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