



Terms of Reference

1. Name

A network named “International Forum of Insurance Guarantee Schemes”, abbreviated as “IFIGS”, is established and shall hereinafter be referred to as “the Forum” or “IFIGS.” IFIGS is an informal, international, non-profit membership-based network forum. IFIGS itself is independent of, and therefore is not accountable to, any national or international authority or institution. IFIGS as a forum is not registered as a legal entity in any national or international jurisdiction.

2. Purpose

The Forum is a body of Insurance Guarantee Schemes. Insurance Guarantee Schemes are an important contributor to the stability of and public confidence in the insurance industry. The objectives of the Forum are to facilitate and to promote international cooperation between Insurance Guarantee Schemes and other stakeholders in the development of policyholders’ protection and may communicate views, ideas and experiences to interested parties.

IFIGS is intended by its Members to be a framework for productive cooperation dependent on Members’ support on a voluntary basis. Consistent with that organizing principle, the central responsibility of Forum membership is meaningful, voluntary participation in Forum activities, for example such as periodic video-conferences or teleconferences, meetings or working groups, written exchanges of ideas, maintaining and providing information for the Forum website and supporting and attending the annual Forum in-person meeting. IFIGS does not act as an institution to represent its Members to third parties.

In so far as the Forum expresses opinions or views, such as on items (f), (i) and (j) below, it will only do so where 75% of Members (by votes cast by a set deadline, fixed by the Management Committee) approve of such positions or statements and such expression also includes or reflects the views of the minority of Members.

To that effect, the Forum will develop activities related to its purpose, in particular:

- (a) Network and establish good working relationships among Insurance Guarantee Schemes and other interested parties;
- (b) Facilitate the exchange of ideas and experiences;

- (c) Discuss the components of and experiences to establish and implement an effective Insurance Guarantee Scheme;
- (d) Develop common positions on the principles and best practices for policyholders' protection taking into consideration the different jurisdictions, economic environments, industry circumstances and policyholder needs;
- (e) Discuss cross-border issues, including improvements in cooperation between the Members;
- (f) Discuss the application of legislation, official and proposed directives and guidance and any proposed changes thereto;
- (g) Conduct research and surveys and share results to enhance the effectiveness of the Forum and of Insurance Guarantee Schemes;
- (h) Provide information to other stakeholders and interested parties in the process of development of policyholders' protection;
- (i) Interact with governmental institutions, supervisors, resolution authorities, insurance industry and other stakeholders in the development of policyholders' protection, and their national and international associations and institutions;
- (j) Represent the common interests of the Members;
- (k) Create working groups and/or permanent committees to focus on specific issues;
- (l) Organize and arrange congresses, seminars and other functions for the Members;
- (m) Promote and increase membership of the Forum.

3. General Provisions

- (a) The Forum will not have the power to set guidance.
- (b) The Forum will not have the power to make any binding pronouncements or create legitimate expectations on behalf of the Members.
- (c) The Forum can express the opinion of its Members or of the Members of a subgroup, subject to the agreement of such Members.
- (d) The Forum will facilitate, as far as it is able and as appropriate, the provision of assistance by one or more of its Members to other Members or organizations from any jurisdiction which may contact it for that purpose.
- (e) The provisions of these Terms of Reference and the performance by the Forum of its activities, including any expression of the view of the Forum or its Members on a particular issue, will be without prejudice to sovereignty of the Members, including among other matters, the performance by any Member of its activities or exercise of its powers under the laws applicable to it.
- (f) The Forum does not advocate through lobbying activities.
- (g) The Forum will not develop commercial or financial activities.

- (h) The Forum will not interfere, directly or indirectly, with the free competition or workings of national or international insurance markets, but could express different opinions on policyholders' protection issues.

4. Membership

As an informal framework for cooperation, IFIGS has determined that Forum membership will be open to all legally established, private, government-created or government-sponsored entities that have a strong link in the development of policyholders' protection, conducted by or on behalf of their respective jurisdictions.

All Members:

- (a) have a right to participate in any activity of IFIGS, and participation is encouraged, and
- (b) have a duty to respect these Terms of Reference and to treat each other with respect and dignity.

Transparency with Members is important to the Forum's continued growth and development; to the extent possible, Members should contribute ideas and feedback that are in the best interests of IFIGS and should clearly state when their contributions represent the views of their jurisdiction.

The Forum will have two membership categories:

- (a) Full Members;
- (b) Associate Members.

Stakeholders who do not fulfill the requirements to be a Full or an Associate Member may be involved in the activities of the Forum as a Guest/Observer by invitation.

The Full Members are responsible for the acceptance of a new Member. The responsibility for the acceptance may be delegated to a committee or subgroup of Full Members.

A Member may terminate its membership and thereby leave the Forum at any time by sending a notice, by letter or email, of resignation, addressed to the current Forum Chair, with the effective date of resignation stated in the resignation letter or email.

The membership of the Forum, acting upon a 75% majority vote of Full Members and at least 75% of Full Members casting a vote, may remove a Member from Forum membership, but only for serious cause, following a request introduced by the Forum Chair and endorsed by at least one of the Vice-Chairs (or in the case of the membership of the Chair introduced by one Vice Chair and endorsed by the other). The decision of removal, accompanied by the reasons constituting cause for the removal, shall be given by the Chair (or the Second Vice Chair in the case of the Chair) to the removed Member in writing.

5. Use of Terms

(a) Full Members

The category of full membership is aimed at Insurance Guarantee Schemes.

An Insurance Guarantee Scheme is a body that is mandated to provide last resort protection against loss of part or all benefits under the insurance contracts to policyholders, insured parties, beneficiaries or other eligible third parties, when an

insurer is unable (or likely to become unable) to fulfil the commitments under its insurance contracts. While an Insurance Guarantee Scheme may possess additional or broader powers, an Insurance Guarantee Scheme provides protection by paying compensation or by securing the continuity of the insurance contracts.

Umbrella organizations which coordinate activities concerning failures and offer services to individual Insurance Guarantee Schemes in a jurisdiction are eligible to become a Full Member.

For voting purposes each member has one vote. However, when multiple Insurance Guarantee Schemes in a jurisdiction become Full Members, they may be grouped into different categories by the type of insurance policies they protect (e.g. life insurance vs. non-life insurance) and each category will have only one vote, depending on the individual situation.

The decision on the limitation of votes has to be agreed at the time of acceptance of a New Member by the Full Members.

(b) Associate Members

The category of associate membership is aimed at an organization which is in the process of establishing an Insurance Guarantee Scheme. A precondition for becoming an Associate Member is that the process of establishment has been undertaken or approved by the government or another responsible body and set out or structured by law or relevant rules and the applicant is responsible for the establishment or will be responsible for the future operation of the Insurance Guarantee Scheme.

Associate Members will have the rights specifically granted to them by the group of Full Members from time to time. These rights shall not include voting rights.

(c) Guests/Observers

It is the policy of the Forum that public or private entities or individuals with interests, activities, responsibilities or duties in fields related to the development of policyholders' protection may be invited to attend IFIGS' activities, such as meetings, as official "Guests/Observers".

The category of Guests/Observers is aimed at:

- a. Supranational organizations of:
 - i. Governmental institutions (defined as an international organization whereby Member states transcend national boundaries),
 - ii. Supervisors;
- b. Insurance industry or any other interested stakeholders in the area of policyholders' or financial services consumer protection and Insurance Guarantee Schemes.

The Chair, with the agreement of the Members, and considering the common interest for activities of IFIGS, has the sole discretion and authority to issue an invitation on behalf of the Forum to any invited Guest/Observer for example to the annual meeting. Taking into account the wishes and views of the Members, the Chair may impose,

and require Guests/Observers to agree to as a condition of attendance, reasonable conditions and restrictions on Guest/Observer attendance, including conditions and restrictions pertaining to data and information presented, discussed or otherwise made available at the activity.

After receiving an invitation from the Chair, invited Guests/Observers may attend the activity. Concerning an annual meeting, the invitation is subject to the right of the Members to meet in closed session, without the presence of any Guest(s)/Observer(s), at any time and for any purpose. There shall be at least one closed session for Members only during any annual meeting.

Guests/Observers are not considered Members for any purpose, and therefore Guests/Observers do not have any of the rights of Members.

6. Organisational Structure

(a) Management Committee

The Forum will establish a Management Committee to handle organizational issues e.g. communication between Members and preparation of meetings. Only Full Members may serve on this Management Committee.

The Management Committee will be formed by three members: a Chair, a First Vice Chair and a Second Vice Chair. The Management Committee will meet regularly, at least once a quarter of the year. The Management Committee will seek to operate by consensus in matters of organizational structure and operation.

The Management Committee will prepare its Terms of Reference for approval of the Full Members; without limitation, as well as addressing the operation of the Management Committee, such Terms will address the recording of expenses incurred and other contributions made by members of the Management Committee, and other Members as appropriate, to the operations of the Forum.

Any Full Member may nominate a representative of itself or another Member to stand for election to a Management Committee position. Nominations should be circulated in advance of and not later than four weeks before the annual meeting or the time of voting (if different).

The Chair shall

- a. be the designated leader and spokesperson of the Forum;
- b. preside over meetings and other official proceedings of the Forum;
- c. oversee the operations of IFIGS;
- d. prepare the Forum annual meeting agenda.

The jurisdiction in which the Chair operates will welcome the next annual meeting of the Forum.

The term of the elected Chair shall be from the date of election at the annual meeting to the date of the next annual meeting (or as otherwise modified by the Members). The office of Chair shall rotate equitably among all Full Members, it being the express intent of the Forum membership that both the honor and the responsibilities attendant to leadership and hosting of Forum activities be shared fairly and should reflect the diversity and the regions of IFIGS members.

In the year following the official year of service of the Forum Chair, and upon that Chair's leaving office and upon accession of the First Vice Chair to the office of Chair, the Chair leaving office is designated the Forum's Second Vice Chair, to provide assistance and advice to Forum leadership and assure continuity of the overall running of IFIGS.

At each annual meeting, a majority of present members shall elect a First Vice Chair by simple majority vote. The First Vice Chair's primary duties are

- a. to assist the Chair, including substituting for and performing the duties of the Chair in case of the Chair's temporary absence or indisposition, and
- b. the role of Secretary.

In collaboration with the Management Committee and Forum membership, the Secretary shall

- a. prepare and keep minutes of meetings;
- b. prepare the Management Committee meeting agendas;
- c. assist the Chair in organizing the Forum's meetings;
- d. maintain a list of and current contact information for all Members and stakeholders;
- e. control and manage rules relating to confidential data presented by Members; and
- f. perform or participate in other duties as may be required for the good of the Forum and its purposes.

No later than three months before the date of the annual meeting, the Chair, or the Secretary on behalf of (or acting with) the Chair, shall

- a. circulate to members of the Management Committee and the Supporting Group, and to all Members if the Management Committee think appropriate, a draft annual meeting agenda that describes in reasonable detail the items proposed for discussion at the next annual meeting, to allow agenda related suggestions, comments, or objections;
- b. use reasonable and timely efforts and means to circulate among the Members all suggestions, comments, and objections received, and
- c. develop a final agenda that reflects all the suggestions, comments and objections received and circulate it to each Member to allow for a timely meeting.

The Chair, or the Secretary on behalf of (or acting with) the Chair, shall send draft minutes of the annual meeting to all Members within six weeks after the close of the meeting. Within four weeks after receiving the draft minutes, each attending Member shall send to the Chair an agreement with the draft minutes, or the comments in disagreement, if any. The Chair, in his or her sole discretion, may accept comments on the draft minutes (or reject comments submitted in disagreement with the draft minutes by informing the respective Member about the reason), and the Chair may declare the minutes final, and publish the final minutes and circulate them to the Members.

The Second Vice Chair's primary duties are to:

- a. provide assistance and advice to Forum leadership and assure continuity of the overall running of IFIGS;
- b. manage or assist in managing and providing content for the IFIGS website;
- c. maintain the operational manual for the website so that the website management can be handed over to the next Second Vice Chair quickly and easily;
- d. pay the host fee 'www.ifigs.org' for the year that the Second Vice Chair is in office, and
- e. pay the registration fee 'ifigs.org' for the year that is the Second Vice Chair is in office, if any such fee is due.

In the event that the authorized representative of the Full Member ceases to act as such for any reason, the Full Member shall be entitled to appoint a successor to serve as the member of the Management Committee for the remainder of the term. If the Full Member does not make such nomination within three months or it is expected that the Full Member will not make such nomination within three months, the Chair (or in the case of the position of the Chair, one of the Vice Chairs) has to start a process to appoint a replacement to the Management Committee by the Full Members.

(b) Supporting Group

The Management Committee can establish a consulting group (the "Supporting Group"), which

- a. should help the Management Committee in performing their tasks, and
- b. secure regional representation.

Each Full Member of IFIGS may request participation in the Supporting Group, if it can provide assurance (by the participating representative) that it has the capacity to take on supporting tasks. Participation in the Supporting Group is without limit as to term or as to number of Members.

7. Working Groups

The Forum may establish Working Groups for specific projects. Each Full Member has the right to participate in a Working Group. Members of a Working Group will elect a leader of the Group which is responsible for the correspondence to Members and the Management Committee. The Chair will oversee and direct the activity of the Working Group and will inform Members about the progress at least each quarter of a year.

At any time all or some Members can establish specific projects and approve a budget for these projects. By the choice of these Members, contributions by spending money or resources could be agreed. If all or some of Members (Sponsors) agree raising the budget and the Management Committee approves the project as in the interest of IFIGS, the Management Committee is responsible for handling the budget in a good and prudent manner and to report in a transparent and timely way. Sponsors of the project have the right to be involved in the project. No Member is obliged to fund any part of the budget or is liable for financial obligations resulting from the project. The Forum or any Working Group may not charge any representation cost or fee.

8. Meetings and Voting

A meeting of all Members will be held annually. All Members are requested to participate and to support the annual meeting.

Notwithstanding any annual meeting schedule, and after consultation with all interested Members and not later than three months before the date of the meeting, the Chair has the authority to reschedule, delay or cancel the annual meeting or with less than three months' notice if, in the Chair's reasonable opinion, cancellation is needed on account of exceptional circumstances.

To reflect regional interests and common issues, Full Members from relevant regions may decide to hold regional meetings. To improve the sharing of worldwide experiences of Insurance Guarantee Schemes (and if the conditions allow), the regional meetings should seek to involve other Members of IFIGS.

The host Forum Member will bear the meeting's organizational and activity related costs and expenses. No registration fee is chargeable. However, each attendee must meet his or her respective travel and accommodation expenses. Some optional activities (for example, certain excursions or social events), depending on circumstances, could exceptionally require the contribution of attendees.

In respect of a voting process, Full Members can vote personally at meetings, by delegation of authorization to other Full Members participating in a meeting or via written form (letter, fax, email) sent to the First Vice Chair. Delegation of authorization or written voting is to be sent to the First Vice Chair at least two days before the decision is made, but may be accepted after such time at the discretion of the Chair.

In case of voting, all proposed resolutions must be sent to Full Members in a final form at least one month ahead the voting date.

9. Financial Resources

The Forum shall not impose on or require of any Member any financial obligation (such as membership fees or dues), whether by contract or otherwise.

The Forum may consider in the future formalizing its structure. This may include establishing a registration fee structure to assist financially in the planning and cost of hosting meetings or other activities in the interest of promoting the Forum. The decision on implementing fees or dues requires a vote in favour of 75% of Full Members of the Forum.

10. Confidentiality

In the course of fulfilling its objectives, the Members are subject to confidentiality provisions provided under their respective laws. As such, the release of any non-public information to a third party gathered through this Forum is prohibited without first consulting the owner of the information. The Members have the right to specify the level of confidentiality attached to the information they provide to the other parties in the Forum.

11. Amendments to the Term of Reference

Any amendment to the Terms of Reference must be approved by the Full Members by extraordinary resolution. The Full Members will vote on the amendment requiring for approval a 75% majority of Full Members voting, subject to a quorum of 75%.

Any such proposed resolution must be sent to Members at least eight weeks before voting.