

Overview of IFIGS Member Responses to the COVID-19 Survey

IFIGS Webinar – “Business Unusual: Normal, Disrupted”

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Jointly presented by:



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

We are living in ...

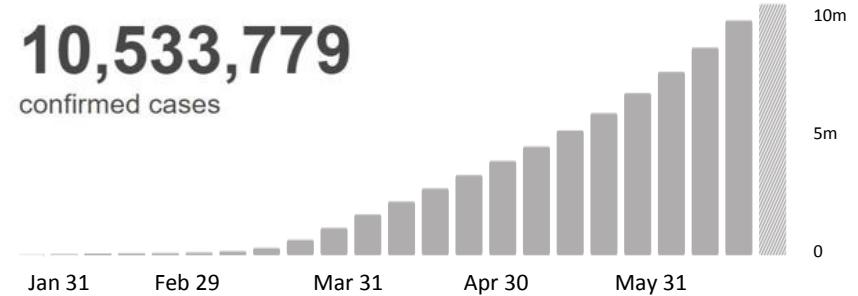
The next catastrophe (and how to survive it)



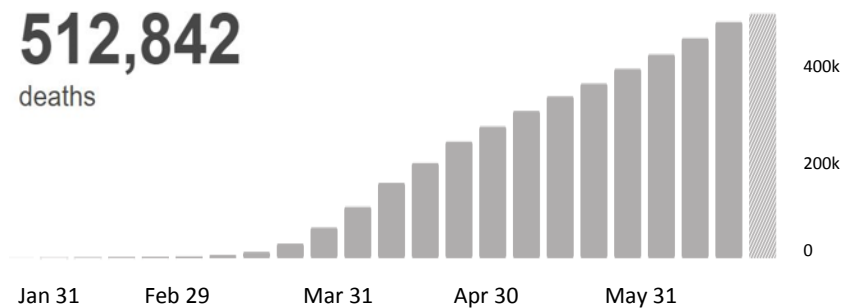
Graphic : The Economist (June 27th 2020)

Global Situation

10,533,779
confirmed cases



512,842
deaths



Source : World Health Organization (As of July 2)

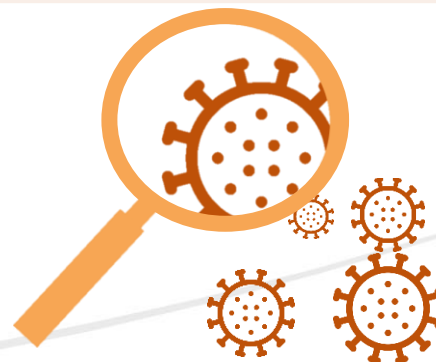
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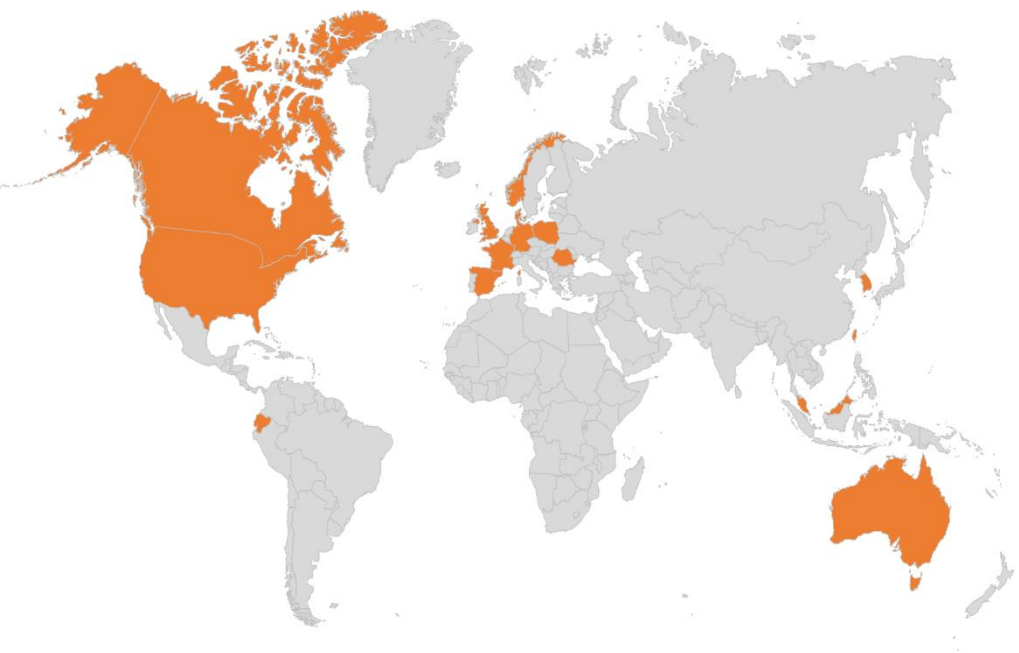
Overview of IFIGS COVID-19 SURVEY

- Survey distributed on April 28 ~ May 22

No	Question
1	Changes in Regulatory & Supervisory Measures
2	Measures by Insurance Guarantee Schemes <ul style="list-style-type: none">✓ Health Controls✓ Public Communication✓ Coverage, Levy, Premiums, etc.✓ Business Continuity Plan✓ Other Measures
3	Impact on Insurance Companies



Overview of IFIGS COVID-19 SURVEY



Continent	IGS	Rate
Europe	Denmark, France, Germany (2), Isle of Man, Norway, Poland, Romania, Spain, United Kingdom	83%
Asia / Pacific	Australia, Korea, Malaysia, Singapore, Taiwan	72%
America	Canada (2), Ecuador, United States (2)	100%

- 20 out of 25 Members from 17 jurisdictions (80%)
 - ✓ Appetite for Information Sharing
 - ✓ Useful Reference for Overcoming COVID-19

Summary of Survey Results

Q1 Changes in Regulatory & Supervisory Measures

A Governments, central banks, and relevant authorities in many jurisdictions announced fiscal and monetary stimulus and regulatory adjustments according to respective economic conditions.

- IFRS 17 deferred by 1 year to Jan 2023



IASB

- Extension of reporting dates
- Suspending dividends



- Temporarily suspending issuing new license (Australia)
- Deferral of contribution payment (Ecuador)
- Deferral of premium payment of policyholders, expedited claims processing (Malaysia)
- 100 insurers contributed to form a fund worth €37 mil to protect health workers (Spain)

Summary of Survey Results

Q2 Measures Taken by Insurance Guarantee Scheme

A

Health
Controls

Most IFIGS members introduced extensive health controls to ensure the safety and health of staff.

- ✓ Working remotely from home (with video conferencing platforms)
- ✓ Heightened hygiene practices (Ex. Periodic office sanitization)
- ✓ Avoiding attending large external meetings, events, conferences

• KDIC's Social Distancing Measures



Management Meeting via Video Conference



Social Distancing while Working in the Office

Summary of Survey Results

Q2 Measures Taken by Insurance Guarantee Scheme

A

Public
Communicate

Most IFIGS members have maintained their communication activities to keep the public and insurers informed.

- ✓ Communication via call centers, websites, social media, etc.
- ✓ FAQs and general information messages to reassure consumers

- Client visits to take place in a room specially prepared for clients (Poland)
- Submission of documents via electronic means of communication only (Romania)

A

Coverage,
Premiums,
etc

No change in coverage, levies or premiums prompted by COVID-19

- Enhancements to the coverage and benefits (Canada, PACICC)

Summary of Survey Results

Q2 Measures Taken by Insurance Guarantee Scheme

A

Business
Continuity
Planning

Business Continuity Plan Prepared / Activated

Identifying Critical Functions & Workers

Splitting Team Arrangements

Facilitating Remote Working

Intensifying Risk Monitoring

⋮

- Sharing the BCP template with the insurers (United States, NCIGF and NOLHGA)

Summary of Survey Results

Q2 Measures Taken by Insurance Guarantee Scheme

A

Other
measures

Heightened Monitoring

- ✓ COVID-19 developments
- ✓ Government announcements & policy responses and its impact
- ✓ Emerging risks related to the COVID-19

Close Communication / Information Sharing

- ✓ Close communication on a regular basis
 - Daily teleconference calls specific to COVID-19 at deputy level (Australia), communications with insurer supervisor in every 2 days (Ecuador)
- ✓ Information sharing and coordination efforts with other financial safety net players (Isle of Man, Poland, Malaysia, Taiwan...)

Summary of Survey Results

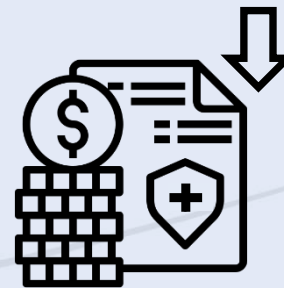
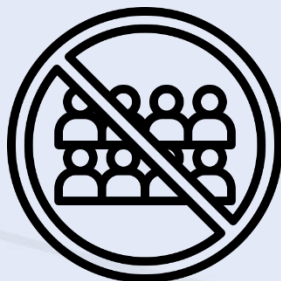
Q3 Impact on Insurance Companies

A Insurance companies remained resilient and not financially distressed.

- ✓ Growing concern over the long term impact on the industry
- ✓ Close monitoring on the liquidity and solvency of the industry

Unexpected Beneficiary

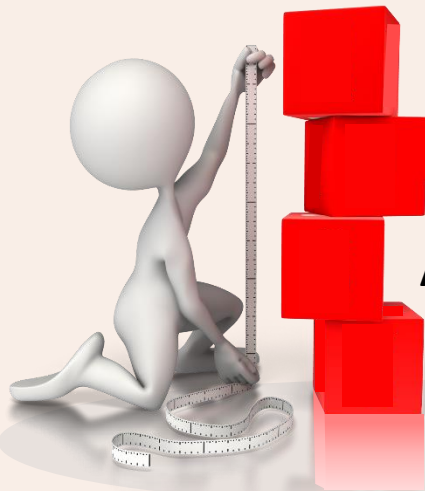
- In Korea, some non-life insurers have become unexpected beneficiaries of the Coronavirus as the virus-induced social distancing rules kept many people off the roads and outdoor activities. This led to a decline in the number of accidents and hospital visits, resulting in reduction of insurance claims.



Implications and Future Challenges



COVID-19 Pandemic



Low Interest Rate

Low Growth Rate

Aging Society

Regulatory Framework



Implications and Future Challenges

Under the New Normal...

■ Digital transformation

- ✓ Changes in digital strategies and perception post COVID-19 paradigm shift
- ✓ Infrastructure for remote working and non-face to face interaction

■ Business continuity

- ✓ Business continuity plan and crisis preparedness for non-financial crisis

■ Cooperation framework

- ✓ Enhanced information sharing and coordination arrangements among safety-net players
- ✓ Enhanced cross-border coordination arrangements and information sharing

Thank you for your kind attention