



IFIGS NEWSLETTER

International Forum of Insurance Guarantee Schemes

July 2021

Volume 2 Issue 2

Highlight in this issue...



IFIGS

International Forum of Insurance Guarantee Schemes



WORLD BANK GROUP

Finance, Competitiveness & Innovation

Navigating the Way Forward for the Last-resort Protection to Policyholders

IFIGS-WB Knowledge Sharing Webinar

June 16, 2021



IFIGS-WB
Knowledge Sharing
Webinar



Navigating the Way Forward for the Last-resort Protection to Policyholders

16

Yangig Cho (KDIC)

Serap Oguz Gonulal (WB)

Lawrie Savage (WB)

PACICC

Alister Campbell (PACICC)

Mete Can Eris (WB)



IFIGS-WB
Knowledge Sharing
Webinar



Navigating the Way Forward for the Last-resort Protection to Policyholders

16

Seungkon Oh (KDIC)

Torben Weiss Garne

(Denmark Insurance Guarantee Fund)

Sameer Goyal (WB)

IFIGS, in collaboration with the World Bank, held a Knowledge Sharing Webinar themed “Navigating the Way Forward for the Last-resort Protection to Policyholders” on June 16, 2021. More than 250 participants across 45 jurisdictions, including 78 participants from IFIGS Member institutions, attended the webinar to explore the value of IGSs and learn about the actual practices of IGSs in the resolution framework.

The webinar started with the opening remarks by **Yangig Cho**, Chair of IFIGS and Executive Director of the Korea Deposit Insurance Corporation (KDIC). It was followed by the introductory session focused on the outlook of the global insurance market, presented by **Serap Oguz Gonulal**, Lead Financial Sector Specialist from the World Bank.

In the first session, **Lawrie Savage**, Senior Financial Supervision Expert from the World Bank gave an informative presentation about the implication of IGSs in respect of the supervisory philosophy. **Alister Campbell**, Second Vice Chair of IFIGS and President & CEO of Property and Casualty Insurance Compensation Corporation (PACICC) presented the core rationale for an IGS and introduced IFIGS Framework Guidance to the attendees.

Please turn to Page 2



Report from the Chair

Dear IFIGS Colleagues,

For all of us, 2020 has been an unprecedented year in so many ways and we all have adapted to a new normal across many aspects of life. Fortunately, 2021 looks more hopeful with the rollout of vaccines and strict adherence to the COVID-19 regulations and measures. And thanks to the technology, we have been able to move forward and stay connected.

I am delighted to report that our mid-year webinar, IFIGS-World Bank Knowledge Sharing Webinar themed “Navigating the Way Forward for the Last-resort Protection to Policyholders” was a huge success. This was a great opportunity for IFIGS to enhance its profile and deliver the value of insurance guarantee schemes, particularly to those who are examining the potential benefits of IGS for implementation. The Management Committee is particularly grateful to the KDIC and the World Bank Teams whose hard work ensured this event’s success, not to mention our IFIGS Members — **Alister Campbell, Seungkon Oh, and Torben Weiss Garne** — for their excellent presentations.

Each Working Group Chair — **Afiza Abdullah, Alister Campbell, Joerg Westphal, and Minkyung Kim** — continued their hard work focusing on the priorities for the future of IFIGS, engaging with other stakeholders.

The Management Committee and Working Group Chairs will keep the momentum going to better serve our IFIGS Members. We will move forward together to create another productive second half of the year!

Let's look out for more events throughout the rest of the year, including our AGM in December, which will be held virtually. In the meantime, stay safe and healthy!



Yangig Cho
Executive Director
KDIC, South Korea

IFIGS-WB Knowledge Sharing Webinar

Continued from Page 1

The second session featured **Mete Can Eris**, Senior Insurance Expert from the World Bank whose presentation was on the considerations for designing effective resolution regimes. The session continued with resolution case studies by **Seungkon Oh**, Senior Research Advisor of IFIGS and Senior Research Fellow of KDIC, and **Torben Weiss Garne**, CEO of Denmark Insurance Guarantee Fund for Non-life Insurers, who shared the practical experience of resolving insolvent insurers in their respective jurisdictions. The webinar concluded with a Q&A session moderated by **Sameer Goyal**, Program Manager of Seoul Center for Finance & Innovation of World Bank, who also delivered the closing remarks.

The high participation rate and more than 40 questions submitted by the participants demonstrated the interest of many jurisdictions in the IGS and policyholder protection. It was a great opportunity for IFIGS to enhance its profile across the globe, building close co-operation ties with the World Bank. In the evaluation survey conducted after the webinar, most respondents have answered that the webinar was highly informative and well-structured, while some of them expressed interest in joining IFIGS to learn more about IGSs.



The 8th IFIGS Annual General Meeting

To be held in a virtual format / Election of First Vice Chair



The 8th IFIGS Annual General Meeting will be held virtually in December using Microsoft Teams. The decision to hold a virtual AGM was made based on the Forum's top priority, ensuring the safety of IFIGS Members amid the ongoing COVID-19 pandemic. More details around the date and agenda will be circulated to all Members in due course.

IFIGS Members will be electing a new First Vice Chair at the AGM. Any Full Member is invited to nominate a representative of itself or another Member to stand for election to the First Vice Chair position. If interested, please contact the IFIGS Secretariat at admin@ifigs.org.

IFIGS Senior Research Advisor

Dr. Seungkon Oh from KDIC joins IFIGS as Senior Research Advisor



Seungkon Oh
Senior Research Fellow
KDIC, South Korea

IFIGS welcomes Dr. Seungkon Oh from the KDIC who will be working with IFIGS as Senior Research Advisor going forward. He will manage the overall IFIGS research work, while chairing the Research Subcommittees focused on the IGS's Role in Resolution.

Dr. Oh is currently a Senior Research Fellow of KDIC. He has participated in the Korean government's Knowledge Sharing Program (KSP) for the Mongolian and Tanzanian governments to establish a deposit insurance system and the International Association of Deposit Insurers (IADI) research projects of "Handling of Systemic Crises," "Integrated Protection Schemes," and "Purchase & Assumption Transaction." He also worked for the G20 Presidential Committee of Korea in 2010. He has written numerous reports and articles on deposit insurance and consumer protection, resolution, and financial markets and regulations. They were discussed at some international and domestic seminars and symposiums. He also has taught economics and finance at Korea University and Soongsil University as an adjunct professor and lecturer since 1998.

Dr. Oh received his bachelor's degree in Economics from Korea University in 1991 and his Ph.D. in Economics from Texas A&M University in 1997.

Launch of IFIGS Research Subcommittees

Research Topics based on Members' Needs for Information Sharing

Based on the key findings from the IFIGS Strategic Planning Survey conducted from January 11 to February 5, 2021, IFIGS launched three Research Subcommittees to publish research papers to satisfy the Members' aspirations for information sharing activities.

Three topics finally selected for the research papers include: 1) Global Database of Insurers' Failures; 2) Contingency Plan Testing and Crisis Simulation for IGS; and 3) IGS's Role in Resolution, which will be managed by PACICC (Canada), PIDM (Malaysia), and KDIC (Korea), respectively. The Research Subcommittees will draft and circulate Research Plans to all Members to invite them to join any Research Subcommittees of their interest.

IFIGS looks forward to the Members' active participation in the Research Subcommittees.



Subcommittee Chair	Research Topic
PACICC (Canada)	Global Database of Insurers' Failures
PIDM (Malaysia)	Contingency Plan Testing and Crisis Simulation for IGS
KDIC (Korea)	IGS's Role in Resolution



IFIGS Chair's Keynote Speech at IFG Event

IFIGS presented the benefits of IGSS to Indonesia

Yangig Cho, Chair of IFIGS, was invited to deliver a keynote speech at the hybrid (online and offline) event themed "IFG Progress Toward Stronger Financial Industry in Indonesia," presented by IFG Research Institute of Indonesia Financial Group (IFG) on April 28. The event aimed to discuss the future of the finance and insurance services industry of Indonesia after the defaults and restructuring of several insurance companies.

During the event attended by a broad range of participants, including the Minister of Finance and the Minister of State-Owned Enterprises, the Chair of IFIGS was given the opportunity to share the best practices of IGSS with Korea's case of resolving insolvent insurers and introduce IFIGS to the attendees.

After the event, Fauzi Ichsan, IFG's Chairman expressed interest in joining IFIGS and joined as an Observer of the Forum. IFIGS will continue to look for potential candidates and offer assistance to any jurisdictions seeking the implementation of IGSS.



IFIGS Member Profile

Romanian Policyholders Guarantee Fund (Fondul de Garantare a Asiguraților - FGA)

The Romanian Policyholders Guarantee Fund (Fondul de Garantare a Asiguraților - FGA) was established by law in 2015 as a legal person of public law. Prior to this, the Fund was organized as a specialized department within the Financial Supervisory Authority.

The purpose of the Fund is to guarantee to insurance creditors, as defined by law, payment of indemnity/compensation resulting from optional and compulsory insurance contracts, in case of insolvency of an insurer.

The Fund covers all lines of life and non-life insurance, as well as all legal and natural persons that meet the requirements to be considered insurance creditors, by law, in compliance with a guarantee threshold of approximately 100.000 Euro per insurance creditor.

All insurers authorized by the Financial Supervisory Authority, including their branches pursuing business on the territory of other European Union Member States are required to contribute to the Fund, by way of a contribution calculated separately for life and non-life insurance, based on their monthly accounting records and applying a percentage share established by the Financial Supervisory Authority.

Currently, the percentage share is 1% for non-life insurance and 0.4% for life insurance. In the event of a deficit of the Fund to cover the obligations resulting from the application of the law, the Financial Supervisory Authority may increase the percentage share taken into account for determination of contributions, without exceeding 10% of the gross premiums earned by insurers from direct insurance activity.

The Fund may also carry out activity as a special administrator in the financial recovery procedure of insurers, or as liquidator in the voluntary liquidation procedure of insurers. The resolution framework for insurers grants additional roles to the Fund, such as temporary administrator in the recovery phase, or resolution administrator or shareholder of the bridge-institution in the resolution phase.

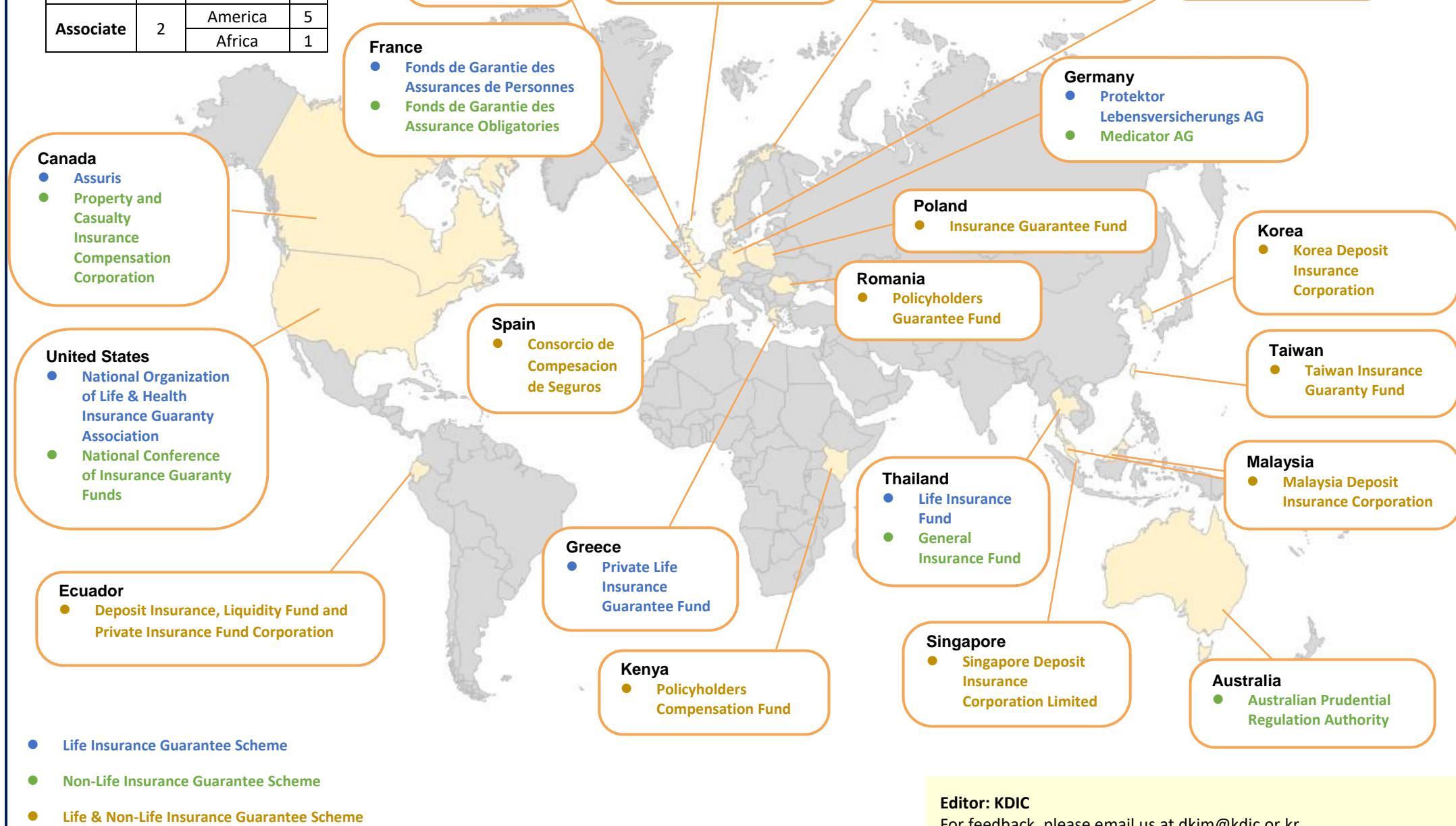
Additional information can be found at <https://www.fgaromania.ro/en/home/> or by contacting Cristina Neacsu at cristina.neacsu@fgaromania.ro.



Fondul de Garantare
a Asiguraților

IFIGS Members (as of June 2021)

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



Editor: KDIC

For feedback, please email us at dkim@kdic.or.kr