



# IFIGS NEWSLETTER

International Forum of Insurance Guarantee Schemes

March 2023  
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## The 9th IFIGS International Conference and Annual General Meeting (December 15th –17th)



The International Forum of Insurance Guarantee Schemes (“IFIGS”) held its **9<sup>th</sup> International Conference and Annual General Meeting** (“AGM”) from December 15<sup>th</sup> to 17<sup>th</sup>, 2022. This **hybrid event was hosted by the Malaysia Deposit Insurance Corporation** (“PIDM”) at the Le Meridien Hotel Kuala Lumpur and via the Zoom virtual platform. The three-day event began with a one-and-a-half-day conference, followed by the AGM on the second day, and concluded with an excursion to Malaysian heritage sites on the final day.



## Conference on December 15th and 16th, 2022

In conjunction with the AGM 2022, PIDM hosted a one-and-a-half-day hybrid conference entitled '**Insurance reimagined: Are we ready for the new realities and uncertainties?**' to explore the future roles of insurance guarantee schemes, amidst disruptive forces. More than 250 participants across 34 jurisdictions, including IFIGS members, officials from supranational organisations and the Malaysian financial authorities, as well as industry representations, attended the conference.

**Afiza Abdullah**, Executive Vice President of PIDM, and 2022 Chair of IFIGS, said in her opening address that the intensifying external disruptive forces in recent years have contributed to or accelerated the failure of insurers in different parts of the world.

*"Regardless why and how an insurer fails, insurance guarantee schemes could provide the most needed protection to the policyholders or beneficiaries when an insurer is unable to fulfil its insurance contract obligations. The establishment of insurance guarantee schemes ensures institutionalisation rather than socialisation of default risk, and contribution to the consumer confidence in the financial system," - Afiza Abdullah*



Invited speakers started off the conference with exciting sharing from the different lenses of multiple stakeholders, covering diverse topics on risks, challenges, opportunities and outlook in the new landscape underpinned by climate change, lifestyle change, digitalisation and technologically-driven innovations. The conference also discussed insurance failure cases, and closed with a panel discussion involving several IFIGS members from different regions, moderated by PIDM, on how insurance guarantee schemes can reimagine and recalibrate their roles and readiness in the new and rapidly evolving operating environment.





The following are some of the key insights and discussion points from the conference:

1. There is an expected shift in the role of insurance industry, from risk transfer to risk prevention, supported by technology innovations. To facilitate the shift, collaborative readiness is proposed as the way forward, especially on the transition to a risk prevention mechanism for financial stability and consumer protection.
2. Recent failures of insurers pointed to common causes that remain unchanged in spite of better business and regulatory environments. These include issues relating to corporate governance, unanchored rapid growth, complexities in organisational structures and adequacy of regulatory oversight. However, the disruptive forces, particularly climate change, have added another dimension which may lead to faster time to failure and larger losses, and spur more active merger and acquisitions activities.
3. By understanding the trends and their impact, insurance guarantee schemes and resolution authorities can better prepare for failures and deliberate on future roles to play. Amongst key aspects for preparedness that were considered were: enhanced crisis communication framework, close coordination and cooperation with various stakeholders, early information access and intervention, testing and simulation exercises.

The conference was well received by the participants, which found the topics discussed to be informative, relevant and interesting. There was good discussion and engagement as participants shared insights and exchanged views on critical issues facing today and future challenges.





## 2022 AGM on December 16th, 2022

IFIGS had about 40 representatives from 22 member organisations across 19 jurisdictions in attendance at the AGM. **Afiza Abdullah**, Executive Vice President of PIDM and 2022 Chair of IFIGS, started the meeting with opening remarks, and delivered the Management Committee report on key achievements for 2022. This was followed by reports from the various working groups – Information Sharing Working Group (**Youngwoon Kim**), Member Outreach Working Group (**Josée Rheault**), Policy and Profile Enhancement Working Group (**Alister Campbell**), and report by **Seungkon Oh** on IFIGS research work Initiatives. IFIGS members then considered and approved the adoption of the Proposed Management Committee Terms of Reference.

At the AGM, IFIGS Full Members formally endorsed **Paul Petrelli** (Assuris, Canada) as the IFIGS Chair and elected **Miguel Ángel Cabo López** (Consorcio de Compensación de Seguros, Spain) to serve as the First Vice Chair for 2023. **Afiza Abdullah** (PIDM, Malaysia) will continue to serve as the Second Vice Chair for 2023. The incoming Chair for 2023, **Paul Petrelli**, gave his inaugural address and shared that he would have continuous conversations with the membership on key matters facing IFIGS (discussed under the open discussion agenda). He appreciated the opportunity to serve as the IFIGS Chair and expressed the commitment to grow IFIGS by having more effective engagements with international standard setters regarding the role of insurance guarantee schemes.

AGM attendees had the opportunity to participate in open discussions on the following three key matters:

- (a) alternatives to a no-fee membership model for future sustainability and diversity of views at the leadership level. The proposed alternatives discussed include rotation to serve as a member of Management Committee or Working Group, and the discretion granted to the host members to charge a registration or conference fee for event hosting;
- (b) establishment of a new European regional group to discuss common policy issues facing the region, which was agreed to by members with **Miguel Ángel Cabo López** (Spain) as the Chair of this regional group; and
- (c) proposal from the Deposit Guarantee Fund Ukraine on Russian Deposit Insurance Agency membership in IFIGS, and the next course of actions following the voting results in March 2022.

Members participated actively in sharing their views and providing inputs to the proposals. The incoming Chair, **Paul Petrelli** noted the feedback and committed to discuss the next course of actions at the upcoming Management Committee meeting.

**The Management Committee met on February 16, 2023  
and agreed to suspend the Russian Deposit Insurance Agency's membership in IFIGS.**

In closing, **Afiza Abdullah** thanked members for their support and urged them to continue supporting the newly elected IFIGS Management Committee. She ended the AGM by reflecting that 2022 was the 60<sup>th</sup> year anniversary of John F. Kennedy's "We chose to go to the moon" speech, whereby the mission was chosen not because it was easy, but because it was hard. She likened that spirit with IFIGS "We are here because we choose to be here to establish IFIGS together. We knew it was not going to be easy but we must have the courage to discuss difficult matters. It will not be easy, but all worthwhile pursuits, like going to the moon, won't be."



## SAVE THE DATE! – The 10<sup>th</sup> Annual General Meeting

**October 25-26, 2023 / Vancouver, Canada  
IFIGS AGM and Conference**

The **10<sup>th</sup> IFIGS AGM and International Conference** will be held from **October 25 to 26, 2023** in **Vancouver, Canada**.

This event will be **held by Assuris** (Canada), the current IFIGS Chair.

More information will be shared soon.

**~ STAY TUNED ! ~**

## SAVE THE DATE

The next IFIGS conference and Annual General Meeting (AGM) will be held from **October 25 to 26, 2023** in **Vancouver, Canada**.

More details will be made available in the coming weeks.

## New IFIGS Management Committee

**Consorcio de Compensación de Seguros (CCS) of Spain joins the team!**



**Chair**



**Paul Petrelli**  
President & CEO  
Assuris, Canada

**1<sup>st</sup> Vice**



**Miguel Ángel Cabo López**  
Director  
CCS, Spain

**2<sup>nd</sup> Vice**



**Afiza Abdullah**  
Executive Vice President  
PIDM, Malaysia

**Paul Petrelli** (Assuris, Canada) is going to be leading the IFIGS and the Management Committee as Chair of IFIGS in 2023.

**Miguel Ángel Cabo López** (Consorcio de Compensación de Seguros, Spain) was elected to the 1<sup>st</sup> Vice Chair position for 2023.

**Afiza Abdullah** (PIDM, Malaysia) now serves as the 2<sup>nd</sup> Vice Chair of IFIGS. Thanks to Afiza and her team for their dedication in 2022. IFIGS was able to go another step further!

**Chayong Yoon** (KDIC, South Korea) is dismissed from his duty as a member of the Management Committee. Thank you and we look forward to your continued support through the KDIC team!



## Upcoming Events

### IFIGS European Regional Group Meeting (March 14)

The **IFIGS European Regional Group Meeting** will be held on **March 14**. This will be the first time we hold a meeting based on a specific region.

※ Twelve (12) out of twenty-six (26) Full-members are from the European region. (See last page for the list of Full-members)

Any members from Europe who are interested in joining this meeting, please contact **Consorcio de Compensación de Seguros (CCS), Spain** for more information.

→ [macabo@ifigs.org](mailto:macabo@ifigs.org), [jbonhome@consorseguros.es](mailto:jbonhome@consorseguros.es)



### International Conference by IPGF, Kazakhstan (September 7-8)



Insurance Payments Guarantee Fund (IPGF) of Kazakhstan will be holding an **International Conference** on **September 7 and 8** in Kazakhstan in celebration of their 20<sup>th</sup> Anniversary.

The main theme of the conference is "**Modern model for the development of the insurance market: priorities and opportunities**".

All IFIGS members are invited.

For those who are interested, please **contact IPGF for more information**.

→ [bakytkogulov@ipgf.kz](mailto:bakytkogulov@ipgf.kz), [sairan.seidigazimov@ipgf.kz](mailto:sairan.seidigazimov@ipgf.kz)

NEW!

### IFIGS Events Calendar

We realised that there are many opportunities out there for IFIGS members to learn and discuss current issues related to IGS from around the globe. However, most of the time, it is difficult to spread the news or hear about any relevant international events that take place during the year. We believe that these opportunities should not be missed unknowingly.

So, we represent... **IFIGS Events Calendar!** (Now available on quarterly newsletters)

We will collect details of any relevant events, list them up on the calendar, keep track of them and share with all our members. If you come across any events that may be of any interest to IFIGS members, please send us an email at: [youngwoon@kdic.or.kr](mailto:youngwoon@kdic.or.kr) and [sbspark825@kdic.or.kr](mailto:sbspark825@kdic.or.kr).

We very much look forward to hearing from you ☺



## IFIGS Events Calendar

Date	Event	Venue	Theme / Topic	Host	Participants	Contact Person
March 14, 2023	IFIGS European Regional Group Meeting	TBC	TBC	TBC	IFIGS members	Consorcio de Compensación de Seguros (Spain) - macabo@ifigs.org - jbonhome@consorseguros.es
TBC	IFIGS Town Hall Meeting	(Virtual)	IFIGS current activities, communication with members, etc.	IFIGS Management Committee and Working Group Chairs	IFIGS members	Assuris (Canada) - ppetrelli@assuris.ca - jrheault@assuris.ca
September 7-8, 2023	IPGF 20 <sup>th</sup> Anniversary and International Conference	Kazakhstan	Modern model for the development of the insurance market: priorities and opportunities	Insurance Payments Guarantee Fund (IPGF) of Kazakhstan	IFIGS members, Kazakhstan government authorities and insurance sector participants	Insurance Payments Guarantee Fund (Kazakhstan) - bakytkogulov@ipgf.kz - sairan.seidigazimov@ipgf.kz
October 25-26, 2023	10 <sup>th</sup> IFIGS AGM and International Conference	Canada	TBC	IFIGS and Assuris	IFIGS members,	Assuris (Canada) - ppetrelli@assuris.ca - jrheault@assuris.ca



## IFIGS Member Profile

### Policyholders Compensation Fund (PCF) of Kenya



**Policyholders Compensation Fund (PCF)** was established in 2005 under the Insurance Act, CAP 487 Laws of Kenya with the primary mandate of compensating policyholders and claimants of an insolvent insurer. Our other functions include; risk monitoring, statutory management, liquidation of insurers and policy advisory on matters relating to compensation of policyholders.

Kenya is ranked 4<sup>th</sup> in Africa in Insurance Penetration at 2.26% of the GDP in 2021.

PCF is the only insurance guarantee scheme with IFIGS Membership in Africa.

Our mission is to “enhance confidence in the insurance industry through timely compensation of policyholders of a company placed under a statutory manager or whose license has been cancelled”.

Kenya Insurance Industry has fifty-seven insurers licensed and regulated by the Insurance Regulatory Authority. Since inception of PCF in 2005, the insurance industry has had five (5) failures of insurers.

The Fund instills confidence in the Insurance industry through timely compensation and efficient resolution of insolvent insurers whose licenses are cancelled or placed under Statutory Management.

#### Achievements:

- i) Since inception, the Fund has successfully compensated policyholders and claimants of three insolvent insurers and reduced the turnaround time for compensation process by 50% over the last two years.
- ii) The Fund is currently resolving three (3) insurers and undertaking compensation of claimants.
- iii) The Fund has achieved significant Growth through prudent investment of assets which has consistently grown by 17% in compound terms.
- iv) The Fund has successfully built its internal capacity which has enabled it to achieve its mandate effectively.

#### PCF outlook:-

- i) Enhanced coverage of policyholders and claimants
- ii) Active engagement and involvement prior to insurer collapse
- iii) Adoption of risk-based levy contribution
- iv) Formulation of bailout strategies for insurers

**“We are committed to active collaboration and participation in IFIGS. We look forward to rallying African countries to establish IGS and share experiences and formation of a regional blocks.”**

# IFIGS Full Members (as of February 2023)

Quick Look	
Membership	By Continent
Full	26
	Europe 12
	Asia 8
	America 5
	Africa 1

