



Technical Assistance Report

Project Number: 46204-001
Regional—Capacity Development Technical Assistance (R-CDTA)
December 2013

Thematic Self-Assessment and Peer Review of International Association of Insurance Supervisors Insurance Core Principles and Standards for Asia and the Pacific (Phase 1)

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
ASEAN	–	Association of Southeast Asian Nations
DMC	–	developing member country
IAIS	–	International Association of Insurance Supervisors
ICP	–	insurance core principle
OECD	–	Organisation for Economic Co-operation and Development
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Regional—Capacity development technical assistance (R-CDTA)
Targeting classification	–	General intervention
Sector (subsectors)	–	Finance (insurance and contractual savings, money and capital markets, finance sector development)
Themes (subthemes)	–	Regional cooperation and integration (money and finance), private sector development (a conducive policy and institutional environment), capacity development (institutional development), economic growth
Location (impact)	–	National (high), regional (medium)

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The regional capacity development technical assistance (TA) for the thematic self-assessment and peer review of International Association of Insurance Supervisors (IAIS) insurance core principles and standards for Asia and Pacific (Phase 1) will provide assistance to the developing member countries (DMCs) of the Asian Development Bank (ADB) to implement effective and globally consistent supervision of the insurance subsector. ADB, a nonvoting member of the IAIS, will help DMCs align their regulations with international best practices to promote a well-diversified financial sector. With uncertain growth prospects and shrinking budgetary resources, the insurance subsector can play an increasingly important role. Governments are looking for options to transfer significant risks to be managed by households through insurance mechanisms in the wake of increasing longevity, rising pension and health care costs, increasing natural disasters and climate change events, and other financially destabilizing occurrences. Households buying insurance should trust the providers of insurance and sound insurance regulation ensures that the reasonable expectations of policy holders are met at all times. The design and monitoring framework is in Appendix 1.¹

II. ISSUES

2. Financial markets in most of the DMCs are at various stages of development and sophistication. They are dominated by banks, reflecting a lack of capacity in the nonbanking subsectors and capital markets. A non-diversified finance sector represents a risk in terms of the inability to deal with financial shocks and periods of uncertainty. The transformation of the nature of financial intermediation by including insurance companies and pension funds could provide new mechanisms for channeling savings to investments. These developments, accompanied by the emergence of equity and debt markets, and financial products like forwards, futures, and other derivatives instruments, have the capacity to reallocate risks and put capital to more efficient use. Insurance can also protect the poor against livelihood risks and catastrophic loss, preventing them from falling back into cyclical poverty. It can also help mobilize long-term domestic resources to finance investments.

3. The evolution of the insurance subsector has necessitated amendments to international regulatory standards, as well as the development of new standards to bridge regulatory gaps and address emerging product lines. Coping with these challenges, ensuring consumer confidence, and addressing the needs of the poor present a development challenge for governments, regulatory agencies, and their international partners. IAIS leads the work on international insurance standards. If developing countries are to benefit from continued growth in financial services markets, their perspectives can be reflected through the implementation of international insurance standards and their periodic assessment. Therefore, as part of the region's finance sector development and growth, greater priority needs to be given to strengthening infrastructure for insurance and private pension institutions by supporting DMC efforts to improve macro- and microprudential regulation and supervision policy. This will build public confidence and ensure continued stability and integrity.²

4. While most DMCs have strengthened insurance supervision, some unaddressed principal challenges relate to supervisory capacity constraints, incomplete legal frameworks, inability to adequately regulate and supervise financial and mixed-activity conglomerates, and

¹ The TA first appeared in the business opportunities section of ADB's website on 27 November 2013.

² ADB. 2011. *Financial Sector Operational Plan*. Manila.

lack of adoption of international standards at a pace consistent with the country's financial development and supervisory capacity.³

5. The development of a well-regulated insurance system can help attract foreign investment and result in the development of a sound insurance market by bringing in international experience and best practices. By designing customized products, it will provide an avenue to enable borrowing against future income, and help rationalize public spending to increase social transfers, reform pension systems, and provide universal health care insurance and education. It will also help develop capital markets and enhance access to long-term finance. Regulatory and supervisory frameworks and finance sector policies must support and keep up with market development to avoid creating new sources of financial instability.

6. Therefore, developing capacity building initiatives through targeted and well-coordinated TA will assist insurance regulators in aligning their regulations with international best practices, which is widely recognized as the precondition for increasing insurance penetration for developing sound insurance markets.⁴ This will be accomplished by introducing a mechanism to assess the implementation of international insurance standards, and an objective peer review, based on existing IAIS methodologies and processes. Adoption of multilateral information exchange arrangements should follow, such as the IAIS multilateral memorandum of understanding to facilitate exchange of confidential information in the insurance subsector and promote financial integration.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The TA impact will be improved harmonization of national insurance regulatory regimes with international insurance standards through the promotion of cooperation and information exchange from the IAIS multilateral memorandum of understanding. The TA outcome will be effective implementation of action plans with enhanced observance of the IAIS insurance core principles (ICPs) and standards. Following each thematic self-assessment and peer review, submission of at least one action plan to address gaps is expected.

B. Methodology and Key Activities

8. The TA will train insurance supervisors to implement international insurance standards in a proportionate manner taking into account the state of development of the insurance system in their countries. It will help develop local capacity by building a cadre of thematic and topic experts who would be able to carry out subsequent training on selected topics. It will assist in developing a database of insurance statistics with the assistance of the Organisation for Economic Co-operation and Development (OECD) and contribute to regional integration by promoting cooperation and information exchange.

³ Financial Stability Board, International Monetary Fund, and World Bank. 2011. *Financial Stability Issues in Emerging Market and Developing Economies: Report to the G-20 Finance Ministers and Central Bank Governors*. Basel. A March 2011 review of International Monetary Fund and World Bank work on standards and codes concluded that the work was useful for countries in identifying gaps, setting the reform agenda, strengthening institutions, and enhancing transparency.

⁴ Joint Ministerial Statement of the 17th ASEAN (Association of Southeast Asian Nations) Finance Ministers' Meeting, 4 April 2013, Bandar Seri Begawan.

9. The TA will have five outputs.
- (i) Capacity building to operationalize a cadre of trainers, assessors, and peer reviewers conducted. Training workshops, seminars, and webinars will be conducted on IAIS ICPs, standards, application guidance, and insurance statistics.
 - (ii) Recommendations and action plan arising from self-assessment and peer review submitted. These will cover either the full set of ICPs or thematic ICPs. Questionnaires and tools will be developed to assess legal aspects and supervisory practice.⁵ A peer group comprising topic experts (trained insurance supervisors from Asia and the Pacific) assisted by IAIS topic experts, ADB staff, and specialist consultants will review the responses. The peer review team will prepare assessment and peer review reports for each respondent jurisdiction on a confidential basis. Each jurisdiction will be obliged to submit an action plan to address any gaps. The team will prepare a separate aggregate report to analyze the responses, identify trends and gaps, and recommend action for reforms and future TA. Mechanisms will be developed to support regional associations of insurance supervisors in monitoring progress of the action plans.
 - (iii) DMCs interested in submitting applications to become signatories of the IAIS multilateral memorandum of understanding assisted. Support will be provided for cooperation and information exchange among supervisors in interested countries.⁶
 - (iv) A pan-Asian database of insurance statistics developed. OECD will provide support.⁷
 - (v) Self-assessment, peer review, and information exchange exercises evaluated. A third party will evaluate the delivery of activities.
10. The TA will leverage partnerships with IAIS, OECD, and others to promote best practices in the DMCs. IAIS will provide its core curriculum, self-assessment and peer review methodology, and survey tool. It will provide experts to act as trainers and peer reviewers.
11. The self-assessments and peer reviews are voluntary exercises and require strong support from insurance regulators and inputs from IAIS. Risks to the project include political sensitivity in initiating national reforms; this could negatively influence reforms and harmonization due to lack of commitment from regulators. The absorptive capacity of participants will be important for TA implementation.
12. The TA outputs are expected to stimulate other TA projects that assist DMCs in carrying out insurance subsector reforms and support sustainable capacity building. They will also help to catalyze change by attracting more private investment and deploying ADB's technical expertise to specific transactions.

⁵ This will be developed for those insurance core principles and standards where IAIS tools are not available.

⁶ The ability to share information and provide assistance requires a high standard of confidentiality and professional secrecy. The IAIS multilateral memorandum of understanding seeks to establish a formal basis for cooperation and information exchange among the signatory jurisdictions regarding the supervision of insurance and reinsurance companies and insurance groups where cross-border aspects arise. This includes requesting and providing information on operations of insurance companies supervised by all signatory authorities having a legitimate interest.

⁷ The Organisation for Economic Co-operation and Development will provide the methodology and technical support for developing a pan-Asian database of insurance statistics.

13. Based on the results of the self-assessment and peer review reports, as well as the action plans developed, phase 2 of the TA will be considered. Phase 2 would focus capacity development where observance is weak. In consultation with the IAIS and the regional associations of insurance supervisors in Asia and the Pacific, specific topics that require priority attention by insurance supervisors in DMCs will be identified, along with the development of insurance statistics expertise.

C. Cost and Financing

14. The TA is estimated to cost \$1,000,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

15. ADB will be the executing agency, and the Office of Regional Economic Integration (OREI) will implement the TA. An OREI staff team will regularly monitor and administer the individual contracts and manage the combined outputs to achieve the TA objectives. The TA is expected to be implemented from January 2014 to December 2016.

16. Individual international consultants with sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs will be engaged for 18 person-months. They will work on an intermittent basis on (i) supervisory systems, ICPs 1 and 2 (1.5 person-months); (ii) risk governance, ICPs 4, 5, 7, and 8 (1.5 person-months); (iii) supervisory measures, ICPs 6, 9, 10, 11, and 12 (1.5 person-months); (iv) market conduct, ICPs 18 and 19 (1.5 person-months); (v) reinsurance and other forms of risk transfer, ICP 13 (2.5 person-months); (vi) solvency and solvency-related issues, ICPs 14, 15, 16, 17, and 20 (3 person-months); (vii) group supervision, ICP 23 (1.5 person-months); (viii) macroprudential surveillance, ICP 24 (1 person-month); (ix) information exchange and cooperation, ICPs 3, 25, and 26, and multilateral memorandum of understanding (3 person-months); and (x) combating fraud, money laundering, and financing of terrorism, ICPs 21 and 22 (1 person-month). The TA will also require 54 person-months of inputs from individual national consultants with experience in TA administration.

17. About eight resource persons will be invited to participate in seminars and training courses as speakers, discussants, or facilitators for a total of 1.1 person-months.

18. ADB will recruit the consultants on an individual basis in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference for the consultants are in Appendix 3. Disbursement under the TA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). ADB will engage a team of individual consultants rather than a firm as this will facilitate: (i) faster mobilization of consultants, (ii) greater ADB staff control in selecting and managing individual consultants, and (iii) greater flexibility in engaging experts specializing in international regulatory best practices on insurance.

19. To maximize the participation of insurance supervisors, subregional thematic seminars on ICP topics are planned, followed by self-assessment using IAIS methodology and tools. The responses will be consolidated and self-assessment and peer reports prepared remotely with the help of teams comprising the international consultant for each theme, research assistant at ADB headquarters, IAIS topic expert(s), ADB expert, two DMC experts (selected after training),

and ADB and OREI staff. Selection of the seminar venue will consider proximity to target participants. Each subregion will be represented by an Asian Development Fund country.⁸ Furthermore, good practice and lessons will be disseminated through policy dialogue with insurance supervisors, IAIS, and OECD through regional seminars, and the development of training materials and knowledge products published under the TA. The consolidated draft reports will be shared with participating countries for review before they are finalized and published.

18. IAIS has agreed to partner with ADB by developing a joint program to promote observance of IAIS ICPs and standards in Asia and the Pacific; by providing the IAIS core curriculum material, methodology, questionnaire, and tools to carry out self-assessments and peer review; and by providing limited resource and expert support.⁹ The Asian Forum for Insurance Regulators, the ASEAN (Association of Southeast Asian Nations) Insurance Regulators Meeting, and the Pacific Inclusion Working Group have agreed to facilitate and coordinate such efforts.¹⁰ OECD will provide the methodology and technical support for developing a pan-Asian database of insurance statistics. Such commitment of support will be included in a memorandum of understanding with each partner once the TA is approved.

19. ADB will consult with the chairs of the Asian Forum for Insurance Regulators, the ASEAN Insurance Regulators Meeting, the Pacific Inclusion Working Group, and the IAIS Implementation Committee, which have agreed to facilitate and coordinate regional activities and report on progress. In addition, feedback will be collected at the conclusion of each seminar and workshop.

20. An end-of-project evaluation will be conducted by a third party 3 months before the project ends using funds retained for this purpose. The evaluation report will form part of the project completion report and will justify funding of a second phase.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,000,000 on a grant basis for Thematic Self-Assessment and Peer Review of International Association of Insurance Supervisors Insurance Core Principles and Standards for Asia and the Pacific (Phase 1), and hereby reports this action to the Board.

⁸ The TA will invite developing member countries that are classified as either Group A or B according to the *Operations Manual*, section A1. Group A countries are Afghanistan, Bhutan, Cambodia, Kiribati, Kyrgyz Republic, Lao People's Democratic Republic, Maldives, Marshall Islands, Myanmar, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Tonga, Tuvalu, and Vanuatu. Meanwhile, Group B countries are Armenia, Bangladesh, Georgia, India, Federated States of Micronesia, Mongolia, Pakistan, Palau, Papua New Guinea, Sri Lanka, Timor-Leste, Uzbekistan, and Viet Nam.

⁹ IAIS. 2012. *IAIS Roadmap, 2013–2014*. Basel.

¹⁰ Minutes of the 8th Meeting of the Asian Forum of Insurance Regulators, 10–12 July 2013, Hyderabad, India.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Improved harmonization of national regulatory regimes with international insurance standards</p>	<p>Amendments or changes to laws and regulations on insurance proposed by 2020 (baseline: 0)</p>	<p>Self-assessment reports Peer review reports International Monetary Fund and World Bank Financial Sector Assessment Program Report</p>	<p>Assumption National regulators are committed to enhancing observance of international insurance standards Risk Initiation of national reforms curtailed by political sensitivity</p>
<p>Outcome Effective implementation of action plans with enhanced observance of the IAIS ICPs and standards</p>	<p>At least one action plan for addressing gaps following each self-assessment and peer review developed by 2016 (baseline: 0)</p>	<p>Action plan of each participating DMC</p>	<p>Assumptions National insurance regulators are committed and provide support Gaps identified from the self-assessment and peer review are confirmed</p>
<p>Outputs 1. Capacity building to operationalize a cadre of trainers, assessors, and peer reviewers conducted</p>	<p>At least one event held in each ADB subregion every year (baseline: 0) 80% of participants (male and female) deem training and knowledge products to be relevant and useful (baseline: 0) At least five peer reviewers (male and female) selected among the participants per topic or theme (baseline: 0)</p>	<p>Report of capacity building events and program evaluation report Information on peer review team composition (per theme)^a</p>	<p>Assumption Training and knowledge support fits the specific needs of each participating DMC Risks Employee turnover in participating institutions is high. Time and resources limit involvement</p>
<p>2. Recommendations and action plan arising from the self-assessment and peer review submitted</p>	<p>At least 60% of participating jurisdictions respond to self-assessment by 2016 (baseline: 0) Reports on self-assessment and peer review (baseline: 0)</p>	<p>Self-assessment and peer review report of each participating developing member country</p>	<p>Assumptions The insurance regulators and IAIS provide support Support is provided for the peer review process The self-assessment is completed</p>
<p>3. Developing member countries interested in submitting applications to become IAIS MMOU</p>	<p>At least one new application for IAIS MMOU signatory from each ADB subregion submitted to IAIS by 2016 (baseline: 0)</p>	<p>Acknowledgement received from IAIS regarding submission of MMOU application Notification on IAIS website after</p>	<p>Assumption National regulator involved provides support</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
signatories assisted		successful validation	
4. Pan-Asian database of insurance statistics developed	At least 60% of jurisdictions respond to online insurance statistics database by 2016 (baseline: 0)	Pan-Asian report on insurance statistics	Risk Participating DMCs may not respond to data requests
5. Self-assessment, peer review, and information exchange exercises evaluated	Third-party evaluation report by 2016 (baseline:0)	Project evaluation report	Assumption Submission of relevant supporting reports for conduct of the third-party evaluation is timely

Activities with Milestones	Inputs																
1.1 Develop questionnaire consistent with IAIS methodology and online tool (where IAIS questionnaire is not available) (Q1 2014–Q4 2016) 1.2 Prepare training course (i.e., logistics and engagement of resource persons and consultants) (Q1 2014–Q4 2016) 1.3 Conduct training in self-assessment of IAIS ICPs ^b (Q1 2014–Q4 2016) 1.4 Assist participating developing member countries (DMCs) with self-assessment (Q1 2014–Q4 2016) 1.5 Complete peer review of submitted self-assessment responses and finalize reports (Q1 2014–Q4 2016) 1.6 Formulate action plans based on the assessment and peer review report (Q1 2014–Q4 2016) 2.1 Participating jurisdictions nominate peer reviewer (Q1 2014–Q4 2016) 2.2 Establish a panel to evaluate peer reviewer candidates (Q1 2014) 2.3 Prepare training course (i.e., course module, logistics, and engagement of consultants) (Q1 2014–Q4 2016) 2.4 Conduct training courses on IAIS ICPs, standards, application guidance, and insurance statistics (Q1 2014–Q4 2016) 2.5 Evaluate and identify candidates for peer review (Q1 2014–Q4 2016) 2.6 Identified peer reviewers meet to review the submitted self-assessment reports of participating jurisdictions (Q1 2014–Q4 2016) 3.1 Prepare training course (i.e., course module, logistics, and engagement of consultants) (Q1 2014–Q4 2016) 3.2 Conduct training courses on IAIS MMOU (Q1 2014–Q4 2016) 3.3 Assist the participating DMCs to complete and submit the application form (Q1 2014–Q4 2016) 4.1 Develop data platform (Q1 2014–Q4 2016) 4.2 Collect insurance statistics (Q1 2014–Q4 2016) 5.1 Assess results of self-assessment and peer review (Q3 2016) 5.2 Prepare evaluation report to justify second phase funding (Q4 2016)	Asian Development Bank: \$1,000,000 (TASF-V) <table border="1"> <thead> <tr> <th>Item</th> <th>Amount (\$'000)</th> </tr> </thead> <tbody> <tr> <td>Consulting services and per-diem</td> <td>401</td> </tr> <tr> <td>Travel expenses for consultants</td> <td>150</td> </tr> <tr> <td>Reports and communications</td> <td>40</td> </tr> <tr> <td>Training and seminars</td> <td>318</td> </tr> <tr> <td>Miscellaneous administrative and support costs</td> <td>40</td> </tr> <tr> <td>Contingencies</td> <td>51</td> </tr> <tr> <td>Total</td> <td>1,000</td> </tr> </tbody> </table>	Item	Amount (\$'000)	Consulting services and per-diem	401	Travel expenses for consultants	150	Reports and communications	40	Training and seminars	318	Miscellaneous administrative and support costs	40	Contingencies	51	Total	1,000
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ADB = Asian Development Bank, DMC = developing member country, IAIS = International Association of Insurance Supervisors, ICP = insurance core principle, MMOU = multilateral memorandum of understanding, Q = quarter.

^a In consultation with IAIS, which is an independent, international standard-setting body.

^b Majority of the countries classified either Group A or B under OM A1 have not completed the IAIS self-assessment to enable them to identify gaps in observing the IAIS standards.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	293.0
ii. National consultants	108.0
b. International and local travel	150.0
c. Reports and communications	40.0
2. Training, seminars, and conferences	318.0
3. Miscellaneous administration and support costs	40.0
4. Contingencies	51.0
Total	1,000.0

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-V).
Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. International Consultants: Regulatory Topic Experts

1. **Supervisory systems** (International Association of Insurance Supervisors [IAIS] insurance core principles [ICPs] 1 and 2; 1.5 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise; (ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) a clear understanding of the role of the supervisor and the need for clearly defined responsibilities, operational independence and adequate resources, protection of confidential information, as well as exchange of information, as needed, with other relevant supervisors and authorities; (iv) sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs; and (v) work experience in developing countries, preferably in Asia and the Pacific (an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICPs 1 and 2 using existing IAIS resources with examples and/or cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop training materials for self-assessment and peer review using the IAIS methodology (utilization of technology, i.e., webinars, is encouraged);
- (iv) lead the preparation of the peer review report, finalize the jurisdiction, and aggregate reports; and
- (v) lead in carrying out follow-up training and preparing training programs.

2. **Risk governance** (IAIS ICPs 4, 5, 7, and 8; 1.5 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise (actuarial qualifications are desirable); (ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) familiarity with different structures of entities and aspects related to licensing, and merger and acquisition activities; as well as corporate governance issues with respect to effective risk management and internal control systems, compliance, actuarial, and internal audit; (iv) a clear understanding of the role of the supervisor and the need for clearly defined responsibilities, operational independence and adequate resources, protection of confidential information, as well as exchange of information, as needed, with other relevant supervisors and authorities; (v) sound experience in insurance supervision and in carrying out assessments of compliance with IAIS ICPs; and (vi) work experience in developing countries, preferably in Asia and the Pacific (an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICPs 4, 5, 7, and 8 using existing IAIS resources with examples or cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop training materials for self-assessment and peer review using the IAIS methodology (utilization of technology, i.e., webinars, is encouraged);
- (iv) lead the preparation of the peer review report, finalize the jurisdiction and aggregate reports; and
- (v) lead in carrying out follow-up training and preparing training programs.

3. **Supervisory measures** (ICPs 6, 9, 10, 11, and 12; 1.5 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise (legal qualifications are desirable)

(ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) familiarity with how supervisors perform their duties and how each insurer's business should be inspected and evaluated by its board and senior management for effectiveness and compliance with laws and regulations; (iv) knowledge about how sanctions should be structured to enforce corrective actions, treatment of insolvent legal entities, and policyholder protection in any wind-ups or market exits; (v) sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs; and (vi) work experience in developing countries, preferably in Asia and the Pacific (is an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICPs 6, 9, 10, 11, and 12 using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop training materials for self-assessment and peer review using the IAIS methodology (utilization of technology, i.e., webinars, is encouraged);
- (iv) develop self-assessment questionnaire for ICP 12 consistent with IAIS requirements where required;
- (v) lead the preparation of the peer review report, finalize the jurisdiction and aggregate reports; and
- (vi) lead in carrying out follow-up training and preparing training programs.

4. **Market conduct** (ICPs 18 and 19; 1.5 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise; (ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) familiarity with establishment of standards and requirements for how business is conducted, and for timely disclosures of relevant information for use by policyholders and other market participants, as well as measures related to combating illegal activities; (iv) sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs; (iv) work experience in developing countries, preferably in Asia and the Pacific (is an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop or modify methodology consistent with IAIS requirements where required;
- (iv) develop training materials for self-assessment and peer review using the IAIS methodology (utilization of technology, i.e., webinars, is encouraged);
- (v) lead the preparation of the peer review, finalize the jurisdiction and consolidate reports; and
- (vi) lead in carrying out follow-up training and preparing training programs.

5. **Reinsurance and other forms of risk transfer** (ICP 13; 2.5 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise; (ii) excellent technical knowledge of insurance risk management, prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) good knowledge of the work related to the reinsurance market and supervision; (iv) sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs; and (v) work experience in developing countries, preferably in Asia and the Pacific (is an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop a self-assessment questionnaire for ICP 13 consistent with IAIS requirements where required;
- (iv) develop training materials for self-assessment and peer review using the IAIS methodology (utilization of technology, i.e., webinars, is encouraged);
- (v) lead the preparation of the peer review, finalize the jurisdiction and consolidated reports; and
- (vi) lead in carrying out follow-up training and preparing training programs.

6. **Solvency and solvency-related issues** (ICPs 14, 15, 16, 17, and 20; 3 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise (actuarial qualifications are desirable); (ii) excellent technical knowledge of insurance risk management, prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) familiarity with details regarding the principles and standards around insurer activity and associated risk, standards for reinsurance, investments, and capital adequacy that address an insurer's solvency; (iv) sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs; (v) work experience in developing countries, preferably in Asia and the Pacific (is an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICPs 14, 15, 16, 17 using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop training material for self-assessment and peer review using IAIS methodology (utilization of technology, i.e., webinars, is encouraged);
- (iv) lead the preparation of the peer review report, and finalize the jurisdiction and aggregate reports;
- (v) lead in carrying out follow-up training and preparing training programs; and
- (vi) be responsible for developing a pan-Asian database of insurance statistics with the support of OECD.

7. **Group supervision** (ICP 23; 1.5 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise; (ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) familiarity with the work related to the common assessment framework; experience in supervising insurers as stand-alone legal entities as well as on a group basis; and knowledge of how to cooperate with other national supervisors to monitor related financial developments, and manage cross-border crises; (iv) sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs; and (v) work experience in developing countries, preferably in Asia and the Pacific (is an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICP 23 using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop training materials for self-assessment and peer review using the IAIS methodology; utilization of technology, i.e., webinars, is encouraged;
- (iv) lead the preparation of the peer review report, finalize the jurisdiction and aggregate reports; and

- (v) lead in carrying out follow-up training and preparing training programs.

8. **Macroprudential surveillance** (ICP 24; 1 person-month). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise; (ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) familiarity with work related to macroprudential supervision; (iv) sound experience in insurance supervision and in carrying out assessments of compliance with the IAIS ICPs; and (v) work experience in developing countries, preferably in Asia and the Pacific (an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICP 24 using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop training materials for self-assessment and peer review using the IAIS methodology; utilization of technology, i.e., webinars, is encouraged;
- (iv) lead the preparation of the peer review report, finalize the jurisdiction and aggregate reports; and
- (v) lead in carrying out follow-up training and preparing training programs.

9. **Information exchange and cooperation** (ICPs 3, 25, and 26; and multilateral memorandum of understanding; 3 person-months). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise; (ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) familiarity with the work related to developing a memorandum of understanding between supervisory authorities, and in assessing equivalence; and (iv) work experience on assessing multilateral memorandum of understanding and in developing countries, preferably in Asia and the Pacific (an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICPs 3, 25, and 26 and IAIS multilateral memorandum of understanding using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;
- (iii) develop training materials for self-assessment and peer review using the IAIS methodology; utilization of technology, i.e., webinars, is encouraged;
- (iv) lead the preparation of the peer review report and finalize the jurisdiction and aggregate reports;
- (v) lead in carrying out follow-up training and preparing training programs; and
- (vi) assist interested countries in preparing applications to become signatories of the IAIS multilateral memorandum of understanding.

10. **Combating fraud, money laundering, and financing of terrorism** (ICPs 21 and 22; 1 person-month). The expert should have (i) a postgraduate degree in economics, finance, or equivalent, with about 12 years of international experience in the respective field of expertise; (ii) excellent technical knowledge of prudential regulation, supervision, and policy issues related to the insurance subsector; (iii) prior work experience on combating fraud, money laundering, and financing of terrorism aspects; and (iv) work experience in developing countries, preferably in Asia and the Pacific (an advantage). In particular, the expert will

- (i) develop training materials for insurance supervisors for ICPs 21 and 22 using existing IAIS resources with examples and cases primarily from Asian jurisdictions;
- (ii) carry out training of trainers;

- (iii) develop training materials for self-assessment and peer review using the IAIS methodology; utilization of technology, i.e., webinars, is encouraged;
- (iv) lead the preparation of the peer review report, finalize the jurisdiction and aggregate reports; and
- (v) lead in carrying out follow-up training and preparing training programs.

B. National Consultants

11. **Research assistant** (36 person-months). The research assistant will assist ADB staff and TA consultants in implementing the TA. The assistant will have (i) a university degree in economics, business, finance, accounting, or related fields; (ii) at least 5 years of relevant experience in TA administration; and (iii) excellent oral and written communication skills in English. The consultant will

- (i) assist the topic experts in compiling the assessment of compliance results of all IAIS ICPs using the IAIS online tool; prepare the jurisdiction report on the findings of the assessment, i.e., gaps uncovered, recommendation or action required, and capacity building needs for peer review;
- (ii) assist the topic experts in preparing the peer review report and finalizing the jurisdiction and aggregate reports; and
- (iii) perform other tasks as reasonably required.

12. **Project coordinator** (18 person-months). The project coordinator will work with ADB staff and the TA consultants in implementing the TA. The coordinator must have (i) a university degree in economics, business, finance, accounting, or related fields; (ii) at least 5 years of relevant experience in TA administration; and (iii) excellent oral and written communication skills in English. The consultant will

- (i) monitor the schedule of activities and progress of TA implementation;
- (ii) coordinate logistical arrangements of trainings and conferences; and
- (iii) perform other tasks as reasonably required.

C. Resource Persons

13. The resource persons (8 people, 1.1 person-months total), with backgrounds as policymakers or subject experts, will be engaged to participate in related seminars, workshops, and conferences; or to facilitate the training courses.