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International regulatory agenda in insurance in a context of current financial crisis. Are we on the right track?

In author's opinion, the program of regulatory actions should reflect the current role and characteristics f insurance sector and it must be coordinated with their changes. Particular specificity of insurance companies has been stressed in the paper in respect of taking over risks from other market entities, and their dissimilarity to any other subjects of the market, especially banks, has been shown. Attention has been paid to a number of changes which have been taking place within insurance industry for last few years, especially the popularity of international insurance groups, development of large and complex financial institutions, the growing globalization and cross-border trade, appearance of new business models, a growing integration with other financial services, radical changes in market offers, appearance of new market risks. The background of changes which can be observed in global scale, has been confronted to the current program of regulatory actions implemented by the main global regulatory subjects in the field of insurance.

1. Regulations-basics

Regulations provide the framework for insurance activities. They define first of all their nature, functions and principles. They also impact, among others, their product offerings, business models, market conduct, as well as organizational and legal set up.

Regulatory regime has to be aligned with social and economic context and its changes. It must keep pace with coming innovations and response accordingly, either by promoting their further development, modifying it or else just scrapping it and erasing from the market reality. It is a powerful and apparently costless tool and therefore needs to be used carefully; not to restrict too much and not to interfere too much into the market forces. It should also avoid unintended regulatory arbitrage and protect level playing field among the market participants.

The shape of insurance regulations – or regulatory regime – as we refer to- reflects the current understanding and dominant views on features and properties of the insurance activities.

It is subject to changes once these views alter, which most often happens because of their performance during some external shocks. Stress testing by external shocks is probably the best way of checking their validity and making eventual normative proposals as to the regulatory restructuring. Therefore, it is quite justified to look at the current global regulatory framework as the cumulative list of past crises reactions.

Current financial crisis seems to provide good opportunity to review and verify the existing international regulatory agenda in various sectors, including insurance and its critical assessment based on some preliminary observations.

2. Current role and characteristics of the insurance industry.

Insurance is about risk assumption. Insurance organizations provide facilities for pooling and redistributing financial consequences of risks for the insureds, thus lowering their risk exposures with both positive (entrepreneurial and social) and negative (moral hazard) effects. In doing so, insurance undertakings expose to risk their own wealth because of their inverted production cycle by which they set the prices of the product before the ultimate costs are known. To mitigate this risk, inter alia technical provisions are in play and their role is absolutely unique as a reserve pool for future claims and as a pricing risk buffer.

As risk mitigators insurance companies are not alone on the market. They are complemented by and have to compete against a range of other institutions including banks which provide this service on a "part – time" basis, as a part of their larger service offering. They cover however, largely purely financial risks only with limited exposure to natural hazards (cat bonds as an example).

It should be recalled perhaps that, as financial organizations, insurance companies, like banks, are mainly debt driven. Their own capital contribution is rather limited. Shareholders equity of the major European insurance companies was, in 2006, estimated to constitute only 6 perc. of all their liabilities, whereas the debt to their policyholders was closed to 88 perc. of their liabilities. (of which insurance and other liabilities represented 69 perc. and unit linked liabilities – 19 perc.). On the assets side it was matched by own account investments and cash – 68 perc. of total assets, unit linked instruments – 18 perc. and other assets – 14 perc. This means that if" own account investments and cash" deteriorate by 10 perc. relative to the value of "insurance and other liabilities" would be lost, which illustrates well the role of assets – liabilities management in insurance. Their financials are basically determined by premium inflows and the way it is distributed. What is important however, these inflows are pre funded and medium to long term which largely takes away the risk of liquidity so important for banking organizations which need to refinance themselves on the market. In other words, "traditional insurers are much less susceptible to-nor may they originate-a liquidity panic" (Pan European Insurance Forum, 2009). Additionally it should be stressed that underwriting (insurance) risk makes up high proportion of overall risk of insurance companies and what is more it is largely uncorrelated with market risk thus limiting the likely negative or positive impact of current market developments.

Insurance organizations are largely independent in their business activities from each other which thus eliminates sectoral contagion effect and by and large the dan-

ger of any systemic risk. This has been thoroughly examined in a seminal study published in 2006 by The Group of Thirty. (The Group of Thirty, 2006) They might be however dependent on the financial health of their capital groups.

This lack of horizontal operational linkages among insurance companies is in sharp contrast to the banks which cannot survive without interbank money market and which highly depend on each other. Excellent example is provided by the developments during the current financial crisis when banking sector at some point ceased to provide its services in view of the closure of interbank operations due to the loss of mutual confidence (Liedtke,2009). To restore normal banking operations central banks and governments were forced to activate in the first step interbank market replacing lacking confidence with some public guarantees instruments or else direct public financing. Insurance in contrast to other financial institutions is more vertically organized with the reinsurance companies as financier of last resort, providing both necessary capital relief and risk mitigation mechanism.

Today's insurance business is more and more packaged into the insurance groups and sometimes into complex financial conglomerates. (Wallison, 2008) Out of several thousands insurance undertakings operating world-wide bulk of the insurance sales is coming from a population of few hundred or so big insurance groups. In EU alone for example big insurance groups which account for 15 perc. of all insurance undertakings represent over 80 perc. of insurance premiums and assets. The same is apparently true for US insurance market. It represents a major shift in business organization model and merits regulatory attention (Schoenmaker, Oosterloo, Winhels, 2008).

We are also witnessing the growing geographical reach of insurance operations. Large insurance groups are today more and more actively involved on the cross-border trade. Leaders arrive to write more than 50 perc. of their premiums outside their home jurisdictions. This means also that their risk composition is substantially changed and their financial health and future depends, to a growing extent, on how well they do abroad. This also means that local peripheral units are more and more dependent on the decisions taken outside in the respective home jurisdictions It obviously calls for necessary amendments in regulatory regimes and policies. It also calls for adequate supervisory responds.

Globalization of insurance undertakings is particularly reflected in the reinsurance operations. Few large players control nowadays the bulk of the business world-wide. To carry out their business effectively they need competitive level playing field with regard to market access (Global Reinsurance Market Report,2008).

Insurance undertakings are also more and more subject to new business models which, in principle, are related to their application of e-insurance, growing integration with banking institutions, inter alia via bancassurance, and enhancement of their presence on the capital markets via securitization mechanism (Beltratti, Corrino, 2008).

All these new developments provide both for new dynamism in the insurance activities and create new risk exposures, like operational risk in e-business, credit, liquidity and reputational risk as a result of linkages with banking sector. On the other hand, securitization mechanism brings capital market volatility to the insurance balance sheet and its financial strength. All these developments provide also for the growing interdependence of insurance business with other financial services and financial markets (World Economic Forum,2009) They lead to the increase of the pressure for the convergence

of the accounting standards and financial reporting as a communicating facility for supervisory purposes and market participants needs. Additionally, they also reinforce the quest for better coordination of the regulatory framework across the whole financial sector and a holistic market oversight.

Large population of today's insurance undertakings is operating in the form of captives and is located in off shore insurance jurisdictions. According to the study recently released by the Bermudian Monetary Authority, there were 5310 insurance captives licensed worldwide as of December 2007 relative to 3645 back in 2000. Out of the total amount 1149 were domiciled in Bermuda and 2726 in the US (mainly in the states of Vermont, South Carolina, Nevada, Arizona, Utah and District of Colombia). (BMA, 2009). Altogether, captives are responsible today for over 100 billion USD of worldwide insurance premium and around 0,5 trillion USD in assets. Their activities create both an additional cover offer as well as additional challenge to international regulators and supervisors. It also stimulates regulatory and supervisory arbitrage. Their emergence and propagation signals new important trends in institutional set up of insurance activities and risk management policies in the corporate world.

Growing diversity and complexity of the insurance offerings on one hand and the growing use of insurance products for personal needs justifies calls for the strengthened consumer protection including various forms of financial safety nets. This is particularly reinforced with the parallel development of consumer protectionism in the competing sectors, banking in particular.

In parallel to the growth of the sophisticated insurance products and vehicles in mature economies there is also a growing popularity of the low cost, low coverage light regulated micro insurance solutions. This new concept is particularly focused on underdeveloped and poor economies with an attempt to brake the barriers of market access coverage affordability.

To sum up – all these developments require regulatory responses to a number of issues. They can be wrapped up in a set of some fundamental questions:
First – how to best align regulatory standards with the risk taking activity of the insurance companies?
Second – how to respond to the new business models in insurance?
Third – how to accommodate new business organization and switch from legal to economic entities?
Fourth – how to better manage new emerging risks?
Fifth – how to best structure new accounting principles and in particular valuation rules?
Sixth – how to respond to increased interdependence of the financial market participants and financial convergence?
Seventh – how to respond to the growing globalization?
Eights – how to align regulatory costs and micro-insurance potential?
Ninth – how to best protect insurance consumers interest?
Tenth – how to enhance cross border and cross sectoral regulatory and supervisory cooperation?

This list is by no means exhaustive and complete and may be easily expanded. It is here rather to bring attention and organize our thinking.

3. International regulatory initiatives

How then all these developments and resulting issues are counter balanced with the global regulatory responses so far? In answering this question let us look at the current regulatory agenda of major global standard setters: IAIS, European Commission and a US National Association of Insurance Commissioners.

– **International Association of Insurance Supervisors (IAIS)**

IAIS is today the only truly global regulatory forum in insurance. Existing since 1994 it represents today 142 countries and over 190 jurisdictions from all over the world. The main focus areas of IAIS work in regulation are reflected in its permanent working parties. They currently include:

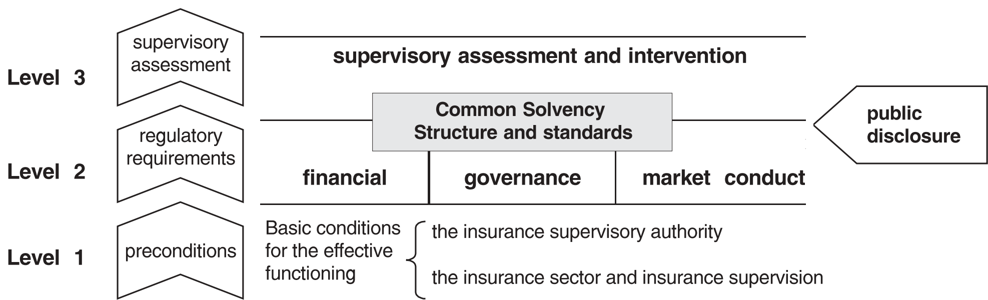
- solvency subcommittee
- accounting subcommittee
- reinsurance subcommittee
- financial conglomerates subcommittee
- governance and compliance subcommittee
- market conduct subcommittee

It should be emphasized perhaps that the two last bodies have come to existence only recently reflecting changing regulatory priorities of IAIS.

Traditionally IAIS invests a lot of its resources into the solvency matters , developing since 2003 a risk sensitive, economic based and holistic approach. Many of its principal recommendations use Solvency II proposals as benchmark. It draws however on the wider experience of other member jurisdiction – US, Canada, Switzerland and Australia, in particular. Its special focus is on solvency assessment, enterprise risk management for capital and solvency purposes, use of internal models and valuation of assets and liabilities, including technical provisions.

Currently developed solvency model promotes solvency assessment based on three pillars: financial, governance and market conduct and provides for a special role of supervisory assessment and intervention (Dullemond W,2006)

Fig 1 IAIS proposed solvency structure



In accounting IAIS does not assume a key role in international debate which is left de facto to IASB with some role of FASB. Essentially, IAIS only monitors developments in the field of insurance accounting and financial reporting requirements relevant to insurance and provides input to International Accounting Standards Board. IAIS seems to be particularly concerned and very critical with the currently proposed valuation principles and fair value implementation in insurance and their strategic consequences for the insurance industry (Dickinson, 2003)

In reinsurance top priority for IAIS are works on mutual recognition and equivalence between supervisors. Other work streams include reinsurance cover of primary insurers, finite reinsurance, regulation and supervision of captive insurers and insurance securitisation.

In financial conglomerates principal work streams are group solvency requirements, group-wide regulation and supervision and group-wide supervisor. It covers, among others, the issues of group support, diversification benefits and the concept of colleges of supervisors. It reflects by and large the debate going on in EU which has advanced considerably its level in the context of Solvency II project and became a world pace setter in this regard.

In governance and compliance IAIS develops governance standards aimed both at the insurance industry as well as its supervisors with the view of improving their risk management capacity. So far however the second element-on supervisors own corporate governance principles- is clearly underrepresented in the international regulatory debate whereas demand for supervisory quality in view of changing solvency models is dramatically increasing. (OECD, 2009).

Market conduct subcommittee is supposed essentially to concentrate on consumers – related matters but its programme is unknown, as yet. It reflects however growing recognition of IAIS of consumer protection issues which is well aligned with the three pillar structure of the new solvency model (Roadmap, 2008). Current priorities of IAIS standard setting activities are summarized below (Table 1).

Table 1. Main areas of IAIS standard setting activities for the period 2008 – 2012 and their prioritization

Area of work	Priority (top/high/medium)	Targets
Solvency	top	Improvement of transparency and comparability, as well as facilitation and encouragement of consistency and convergence in solvency assessment worldwide
Accounting and Insurance Contracts	top	Monitoring/ commenting on IASB projects, as well as on audit standard setting papers issued by IFAC and on potential further IAA Practice Guidelines IFRS
Reinsurance	high	Permanent deepen works on mutual recognition, regulation and supervision, captive reinsurers and contract certainty

Continuation of the Table 1 from the page 8

Area of work	Priority (top/high/medium)	Targets
Financial Conglomerates	high	Development of new principles, standards and guidance papers on insurance group supervision. Furthermore, development of IAIS supervisory papers on different aspects of assessment of insurer solvency as relevant to group supervision (e.g. capital requirements, forms of capital elements in the group, use and validation of internal models and the role of public disclosure)
Fraud	high	Creation of e-insurance and fraud database. Review of existing papers particularly concerning the Guidance paper on anti-money laundering and combating the financing of terrorism.
Corporate Governance	high	Development of broad corporate framework applicable to insurers and insurance supervision.
Revision of Insurance Core Principles	high	Adoption of improved ICPs following their revision.

Source: Roadmap, IAIS, 2008

Standard setting activity of IAIS is reflected in its principal statutory documents. One should mention perhaps in particular publications regarding inter alia:

1. Principles of group wide supervision, (17 October 2008)
2. Standard (and guidance) on the valuation of assets and liabilities, including technical provisions, (7 March 2007)
3. Standard (and guidance) on enterprise risk management for capital and solvency purposes, (17 October 2008)
4. Standard (and guidance) on the use of internal models by insurers (17 October 2008),
5. Standard on risk transfer, disclosure and analysis of finite reinsurance, (7 March 2007)
6. Standard on the evaluation of the reinsurance cover of primary insurers and the security of their reinsurers, (7 March 2007)
7. Guidance paper on the regulation and supervision of captive insurers, (17 October 2008)
8. Guidance paper on mutual recognition of reinsurance supervision, (17 October 2008)

It should be underlined perhaps that apart from the development of the specific stand alone standards IAIS has undertaken again a thorough review of its Insurance Core Principles which by and large provide a holistic framework for the overall regulatory regime. This important project is launched only five years after the last review which was completed in 2003.It thus may indicate the dynamism of changes regulators have to face. It is worth noting perhaps that ICPs are used by IMF as a basis for the assessment of the quality of insurance regulations in its Financial Sector Assessment Programme currently under way (Cihak, Tieman, 2008).

– **European Commission – Solvency II regulatory modernization**

In contrast to IAIS whose standards are by and large as of today "reference" or "benchmarking" products for its members and have no immediate impact on the regulatory build up of individual jurisdictions European Commission has the capacity to produce model laws. These model laws are becoming thereafter binding for all member states which have to transpose them into their national laws. In preparing model laws a leading concept currentlyapplied in EU is that of a minimum harmonization level which allows member states jurisdictions to surpass minimum requirements and set their own higher standards. Though theoretically appealing as it provides for regulatory competition within the Community it is in practice producing patchy regulatory structure of the single market difficult to manage by insurance undertakings and consumers alike. Hence there is a growing pressure for a maximum harmonization principle to apply. Solvency II – a major regulatory initiative of the European Commission of the recent years – is perhaps among the first examples of this novel approach.

Formally Solvency II project, which aims at a far reaching regulatory modernization of the insurance activities in European Union, has been endorsed by member countries in April 2003 though in reality it goes back to 1997 and the recommendations of the Mueller Report (Mueller Report,1997). It is going to replace by 2012 the old Solvency I regime adopted de facto in its structural elements more than 35 years ago. It took already 5 years to put its basic principles in place and will take some more to have the project in operational shape.

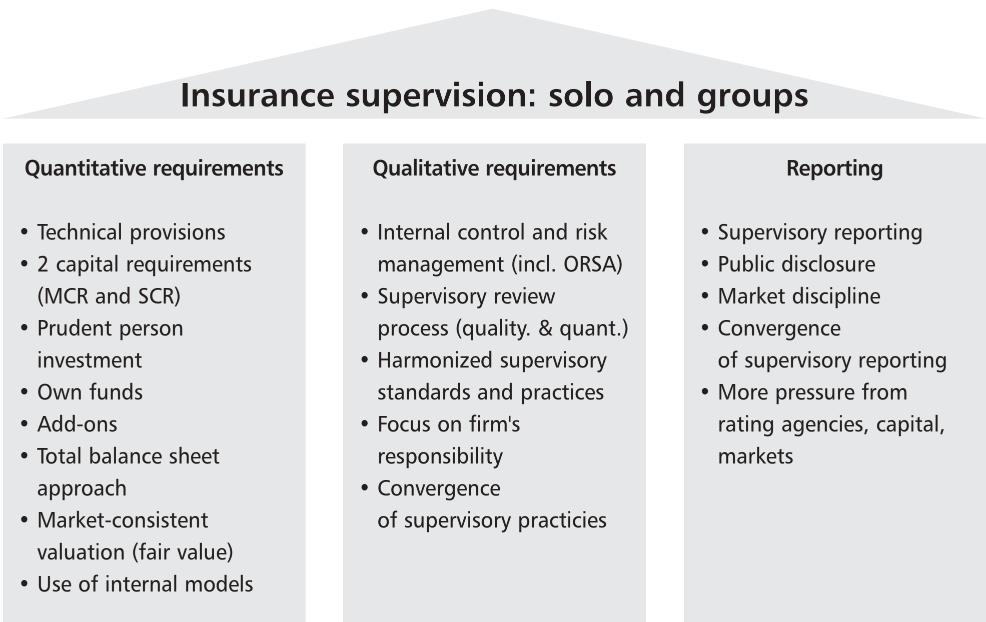
What is available until now since July 2007 is actually a draft framework directive of a new regulatory regime which according to EU Lamfalussy legislative process has to be complemented at a later stage, via comitology procedures, with implementing measures. In contrast to existing old solvency regime Solvency II displays several new important characteristics:

1) it is bringing into the regulatory regime modern solvency requirements based on a more articulated risk oriented approach. New solvency model will cover, apart from insurance risks as it is today, market risk (e.g. fall in the value of assets), credit risk (e.g. risk of default) and operational risk (e.g. malpractice or systemic failure).
2) in this risk orientation philosophy important role is assigned to the insurance undertakings own active risk identification and management (own risk and solvency assessment tool – ORSA)which is supposed to be the first fire wall defending financial health of the undertaking
3) as a result it shifts the attention of supervisors from compliance issues to supervisory review process aimed at evaluating insurers risk profiles and the way it is matched with governance system and management quality. It has therefore to rely overwhelmingly on principles and not on rules regulatory approach to give supervisors adequate discretionary powers.
4) it introduces economic group concept thus recognizing the current market reality and makes group supervision a regular element (and not an add on) of supervisory regime. It strengthens the powers of the group supervisor particularly with regard to group-wide risks identification and management. It also provides for more cooperation between supervisors inter alia via supervisory colleges. Last but not least it

enables groups to use group-wide models and allow them to profit from group diversification benefits and capital support schemes.

5) it is based on a comprehensive three pillar concept first applied in Basel II which provides for a holistic view of the factors impacting solvency requirements: financial, governance and market conduct alike. In this construction pillar 1 represents straightforward quantitative requirements regarding "pecuniary" issues. Pillar 2 covers quantitative requirements and supervisions whereas pillar 3 – market disciplinary mechanisms.
6) it brings market conduct into the forefront of solvency model calling among others for more public disclosure, market discipline and more pressure from market participants including rating agencies.

Solvency II structure for insurance supervision



Source: Schuerman 2008

– NAIC – Solvency Modernization Initiative response

With all these innovative solutions and the support of EU insurance markets Solvency II will certainly impact regulatory developments world-wide. American market participants are particularly concerned in view of the intense insurance linkages with Europe and possible impact of Solvency II on US market competitiveness.

National Association of Insurance Commissioners (NAIC), which coordinates the standard setting activities of its state supervisory authorities, has already responded to the challenge inter alia with its own solvency modernization initiative in 2007 (SIM).The initiative is aimed at strengthening existing risk based regulatory regime which operates in US since beginning 1994 by giving inter alia more attention to pillar 2 and pil-

lar 3 relevant elements largely absent so far. As opposed however to Solvency II proposals US applies not a single but three different risk based capital models: for life, property/causality and health insurance. (Eling, Holzmueller, 2008).

The initiative is to concentrate on five key areas of new principles based system thus departing form currently rules based approach and maintaining and deepening its risk orientation These key areas include capital requirements, reinsurance, group issues, insurance valuation and international accounting (Gross ,2007) The principal idea is to make solvency models more risk oriented, allow for better measurement of risk profile, to depart from prescribed formula to a process of identification and measuring of all risks and finally to depart in calibration form industry experience to company experience.

The first exercise has taken place with respect to US reinsurance regulatory standards in connection with collateral obligations. The new system put in place since 2007 is far more risk sensitive and sensible than the old one. (von Dahlen, 2008)

4. Are we on the right track?

In the unprecedented current financial turmoil insurance industry and insurance undertakings are performing so far astonishingly well comparing to other financial institutions, banks in particular, They are certainly victims and not the cause of the event. This however does not imply that there is no need to alter current regulatory and supervisory agenda, adopted standards and regimes, least looking at the weak performance of some leading insurers.

One has to agree in principle with Jacques de Larosiere who argues in his High Level Group of Financial Supervision in the EU report that nobody performed perfectly well during the current crisis by saying "Financial regulation and supervision have been too weak or have provided the wrong incentives… Action is required at all levels- global, European and national and in all financial sectors" (The de Larosiere Report,2009,p.3)

First – the crisis confirms the rationale for risk orientation of solvency model and risk based calculations of statutory capital requirements in the current regulatory systems. It leaves open however the question of how to properly align risks and capital demand as well as what should be the confidence levels attached to it. New lessons seem to justify some rethinking in this regard in particular with Solvency II capital standards to make it more robust and resilient to shocks and not only to incidents. It needs perhaps again thorough reconsideration of proposed capital buffers, improved understanding of risks facing insurance undertakings in a time of systemic distress and different perspective as to the role and design of the internal model to name just few issues.

Second – the crisis endorses fully the importance of holistic regulatory and supervisory approach. This refers not only to individual institutions (like Solvency II does) but to relevant financial sectors and markets and even more to the entire financial sector. In this context the de Larosiere report rightfully observes. "One of the mistakes made was that insufficient attention was given to the liquidity of markets. In addition, too much attention was paid to each individual firm and too little to the impact of general developments on sectors or markets as a whole." (The de Larosiere Report, 2009, p.10)

It is well known that the strength of any system depends on its weakest element. Therefore any regulatory gaps will provide a room for the activities (like derivatives, CDS ets.) which might otherwise destroy large part or the whole of it. In relation to insurance regulation it seems that regulatory standards and supervisory review of individual entities and economic groups should be supplemented with sound market principles and market reviews. This might include among others transparency issues, applied business models, conglomeration oversight, incentives structure and explicit safety net to mention just a few. It should provide an adequate context for the understanding how the insurance company essentially operates and where does it put its polluting wastes. To put it shortly – regulator should be concerned about sound markets which are serviced by healthy companies and not healthy companies which may be living at the expense of the markets (Brady,Cobb 2008).

Third – since the crisis indicated how much interdependent financial institutions and markets are – there is undoubtedly a need for proper cross-sectoral coordination be it via integrated supervisory institutions or via integrated supervisory systems. Available observations are not discriminating against fragmented supervisors (sectoral) and supporting supposed to be better integrated ones. Major European insurance failures that we witnessed so far have come from integrated supervisory regimes :The Netherlands ,Belgium, Germany, Hungary and UK. Fragmented supervisory regimes performed astonishingly well. On the other hand fragmented US supervisory architecture has been clearly discredited. This means that at the mid of the day the debate on how to best address the issue of interdependency and better regulatory and supervisory coverage and coordination is far from concluding phase.

Fourth – current financial market problems were amplified by under regulation of some significant financial institutions and markets which again signals a need for the use of holistic models which are constantly upgraded to account for new developments. How could it happen that supervised institutions were able to market products and services which were clearly beyond insurance definition? How could it happen they were able to keep them off balance sheets? (Krohn, Gruver, 2008)

Fifth – the vicious circle created by assets melt down, downgrading of ratings and additional pressure on capital and reserves reinforces the demand for the introduction of some anticyclical devices into the proposed accounting and solvency models. This goes for the totality of financial institutions banks and insurers in particular. As formulated by Pan European Insurance Forum "It is important to avoid pro-cyclicality in accounting and prudential rules to dampen the negative spiral of the crisis" (Pan European Insurance Forum, 2009, p.4) They could be based on a simple rule of increasing demand for capital provisions and risk margins during boom periods (e.g. when risks are assumed) and decreasing them during recessions (e.g. when risks become visible). The same applies to verification of valuation principles in time of distress which seem beyond any doubt to need different than assumed approach (Goodhart, 2008)

Sixth – officially recognized and quasi regulatory role of rating agencies in current solvency models has to be reviewed again as their current way of operations seems to produce wide spread unwanted moral hazard effect. Investors, consumers and supervisors apply their verdicts without their own critical assessments. They need also to be

given some form of oversight to protect market participants. (Crotty, Epstein, 2008).The de Larosiere Report suggests also a fundamental review of the rating agencies business model, its financing and separation of their rating and advisory roles (The de Larosiere Report, 2009,p.20)

Seventh – global nature of the crisis counter balanced with principally local responses reinforces again the request for more cross-border coordination of regulatory and foremostly supervisory activities. Their first task should be to produce as quickly as possible crisis management regulatory vehicles which might face the challenges of the distressed market developments and avoid chaotic national reactions. (Steffen, 2008)

Eights – recent experience indicates the need to accommodate consumer protection into solvency and supervisory models. Mass loss of confidence in the current age of information technology spreads far more quickly and affects more deeply than in the past. It also produces negative cross border effects. Financial safety nets arrangement have to be reconsidered again also in respond to the changing product portfolio where like in life assurance growing size of assets are represented by pension related products and their specificity is hardly captured by existing guaranty compensation schemes (Steffen, 2008).

Ninth – insurance industry is not immune against the perverse incentive structures in the financial sector which induces key officers to take excessive risk in fight for career and bonuses which remain with them even if the company collapses. This issue has to be specifically addressed within the risk based models. It could be also the task of supervisory authority to monitor developments and act against fake solutions (Caprio, Demirquc-Kunt, Kane, 2008). In a recent study of OECD it was argued that remuneration and incentives system have played key role in leading to short term management actions and to "reward for the failures". Particularly high publicity received parting bonuses offered for some CEOs.For example Daniel Mudd- CEO of Fannie Mae was offered USD 9,3 million at his exit, Richard Syron-CEO of sister organization Freddie Mac was offered USD 14,1 million, Charles Prince-CEO of Citybank was offered USD 100 million and Stanley O Neal – CEO of Merry Lynch was offered USD 161 million. (OECD, 2009, p.15)

Tenth – near failures of a handful of large complex institutions aggressively involved in the banking or parabanking activities on one hand and /or pursuing bancassurance strategy calls for the reconsideration of the existing regulations in this respect. (Brooks, 2008) It reaffirms again and again that always side activities are most dangerous for their existence. It also seems to question the validity of bancassurance business model so fashionable a while ago.

Notwithstanding these critical remarks it seems that recent financial crisis brought to the insurance sector largely positive messages. What it actually says is that with current risk based and holistic approach we are on good track. We need however to tune it accordingly.

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Międzynarodowa agenda regulacyjna w zakresie ubezpieczeń w kontekście obecnego kryzysu finansowego. Czy jesteśmy na właściwej drodze? – Streszczenie

Autor stoi na stanowisku, że program działań regulacyjnych winien odzwierciedlać aktualną rolę oraz charakterystykę przemysłu ubezpieczeniowego oraz musi być skoordynowany z ich zmianami. W artykule podkreślona jest szczególna specyfika zakładów ubezpieczeń w zakresie przejmowania ryzyka od innych podmiotów rynkowych oraz ukazana jest ich odmienność w stosunku do pozostałych podmiotów obecnych na rynku ryzyka, zwłaszcza banków.

Zwrócono równocześnie uwagę na szereg zmian zachodzących w ostatnich latach w przemyśle ubezpieczeniowym, w szczególności rozpowszechnienie się międzynarodowych grup ubezpieczeniowych, rozwój wielkich złożonych instytucji finansowych, rosnąca globalizacja oraz handel transgraniczny, pojawienie się nowych modeli biznesowych, rosnącą integrację z innymi usługami finansowymi, radykalne zmiany w zakresie oferty rynkowej, pojawienie się nowych ryzyk rynkowych. Na tak zarysowane tło zachodzących zmian w skali globalnej autor nakłada aktualny program działań regulacyjnych realizowany poprzez główne globalne podmioty regulacyjne w ubezpieczeniach.