



ASIA PACIFIC FINANCIAL FORUM

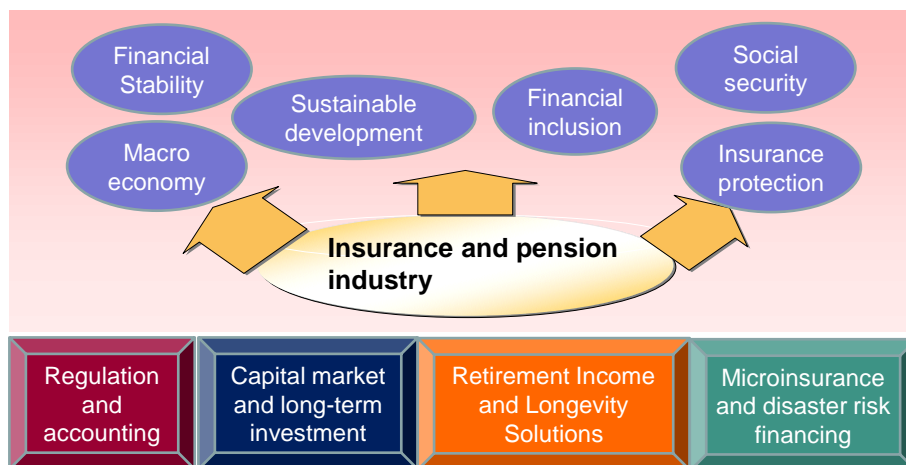
An Overview of APFF Work Related to Insurance and Retirement Income

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Sherpa, APFF Insurance and Retirement Income Work Stream

Mexico City, Mexico, 20-23 April 2015

APFF Insurance and Retirement Income Work Stream

- A holistic framework to support the long-term roles of insurance and pension industry in the Asia-Pacific



Composition of the workstream

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- Participants include experts from the insurance, pensions and financial industries, academic specialists and policymakers and regulators
 - Participants (as of March 31, 2015): Nippon Life ([Sherpa](#)), Jardine Matheson ([Vice Sherpa](#)), ADB, AIA Group, ASEAN Insurance Council/WanaArtha Life, ASEAN Secretariat, Asociación de Aseguradores de Chile, Association of Insurance Supervisory Authorities of Developing Countries/Association of Insurers and Reinsurers of Developing Countries, Australian APEC Study Centre at RMIT University, Australian Super, Australian Treasury, Barnert Global([regulatory and micro-insurance](#)), Canadian Pension Plan Investment Board Asia, Cathay Life, Citigroup([retirement income](#)), , Great Eastern Life, HK-APEC Trade Policy Study Group, Hong Kong University of Science and Technology, IAG, ING Bank Singapore, International Insurance Society([special advisor](#)), J.P. Morgan Asset Management Global Real Assets, Life Insurance Association of Malaysia, Manulife, MetLife([capital market](#)), Nomura Securities([APFF coordinator](#)) , OECD, OJK Indonesia, Oliver Wyman, PIMCO, Pramerica Financial Asia([longevity solution](#)), Prudential Corporation Asia, RFPI Asia, RGA, Samsung Life ([accounting, and liaison with AOSSG](#)), Sun Life Financial, Tokio Marine([disaster risk financing](#)), ASIFMA ([observer and liaison with other relevant workstreams](#))

Timeline of the workstream

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- 1st APFF IRIWS Meeting, Hong Kong, 30 September 2013
- 2nd APFF IRIWS Meeting, Hong Kong, 7 February 2014
- 3rd APFF IRIWS Meeting, Singapore, 14 April 2014
- 4th APFF IRIWS Meeting, Hong Kong, 24 June 2014
- 5th APFF IRIWS Meeting, Tokyo, 28 October 2014
- 6th APFF IRIWS Meeting, Hong Kong, 26 January 2015
- 7th APFF IRIWS Meeting, Tokyo, 11-12 March 2015
- 1st APFF IRIWS Retirement Income/Longevity Solutions Sub-stream Meeting, Singapore, 7 April 2015
- 1st APFF IRIWS Long-term Investment/Capital Market Sub-stream Meeting, New York, 12 May 2015 (tbc)
- 8th APFF IRIWS Meeting, Asia (Taipei, Seoul, Hong Kong or Singapore), 22 June 2015
- 9th APFF IRISWS Meeting, Asia (Jakarta, or Manila), July 2015 (tbc)

Note: In addition to those face-to-face meetings, conference calls are also conducted to proceed the work.

Summary record, 7th meeting, Tokyo, 11-12 March

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- Heard update on the APFF and the draft Cebu Action Plans, including micro and natural catastrophe insurance, long-term investment in infrastructure, capital market development and tax policy. The Group intends to feed into the process through upcoming APEC seminars.
- Retirement income/longevity solutions: Confirmed the objective of the sub-stream, the interaction with other objectives, and discussed a draft recommendation paper.
- Micro-insurance/disaster risk financing: Heard update on the upcoming APEC FMP Seminar in Bacolod City on 29-30 April, and discussed high level policy recommendations on disaster risk financing. After modest changes, the group agreed on the paper.
- Regulation/accounting: Heard a presentation on the recent ABAC letter submitted to the IAIS on the global risk based International Capital Standards, and update on the status of the ICS
- Long-term investment/capital market: Discussed an overview of the restrictions on derivatives, an idea of a package of infrastructure projects, and possible contents of the APEC FMP Seminar on long-term/Infrastructure investments in Manila in July.

Progress – Regulation/Accounting

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- “Dialogue series on regulation and accounting issues impacting the long-term business of the insurance industry in Asia Pacific economies and longevity solutions (APFF Interim Report action plan)”
 - ABAC letter was submitted to the IAIS on 30 January on the global risk-based International Capital Standards (ICS)
 - Participating and making remarks in the IAIS Stakeholder meetings (February in California, June in Macau, etc.)
 - Participating in regional conferences/meetings to discuss regulatory/accounting issues (APEC/APFF, OECD, ASSAL, ASEAN, NAIC, etc.)
- The group intends to continue a dialogue with regulators/supervisors/accounting standard setters in the Asia Pacific region to discuss relevant issues, and to coordinate with other stakeholders.

Progress – Long-term investments/Capital market

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- “Collaboration with APEC Finance Ministers’ Process in promoting long-term investment, including infrastructure (APFF Interim Report action plan)”
 - Discussing an overview of restrictions on derivatives by insurance companies that could impede their ability to fund long-term investment. It was noted that we could draw lessons from Mexico’s liberalization of derivatives a decade ago.
 - Seeking some examples on innovative finance
 - Considering a package of infrastructure projects in a country and then examine weaknesses and improvements to increase the chances of attracting private institutional investor financing.
 - Participating in regional conferences/meetings to discuss long-term investment/capital market issues (APEC/APFF, OECD, etc.)
- Planning a possible July workshop on Long-term investment and infrastructure Investment in Manila

Progress - Retirement income/Longevity solutions

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- Discussing a draft recommendation paper, including an overview on context of financing the aging and longevity solutions for Asian countries, an description of inter-relationship with other Finance Minister objectives.
- The paper would be re-organized into consolidated recommendations (covering both accumulation and decumulation, with a strategic focus on the latter):
 - Stimulating demand
 - Stimulating supply
 - Regulatory/accounting issues, and;
 - Long-term investment/capital market issues
- Started drafting a relevant chapter of the APFF report, including a comparative analysis of challenges of various retirement systems in Asia.
- The group intends to provide panelists to the upcoming APFF Symposium in Melbourne, August 2015.

Progress – Microinsurance /Disaster risk financing

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- Proceeding a short-term project on micro-insurance:
 - Survey of the Microinsurance activities in the APEC member entities;
 - Create a list of resources, both organization and individual, available to the APEC member entities to assist in Microinsurance activity;
- Conducting research on current status of Disaster risk financing (DRF) in the Asia Pacific region.
- Discussed and agreed upon a draft recommendation paper, covering the following areas:
 - Developing sound financial and insurance markets
 - Promoting data availability to enhance disaster risk evaluation
 - Raising public awareness on disaster risk
 - Steering investment to upgrade disaster resilient infrastructure
 - Knowledge sharing among APEC economies
- Planning the April workshop on Microinsurance and Disaster Risk Finance in Bacolod City

2014 seminars/conferences contributed by the WS

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- G20/OECD High-Level Roundtable on Institutional Investors and Long-Term Investment, Singapore, 4 June
- OECD Roundtable on Regulatory Factors Affecting Insurer Long-Term Investment Financing, Paris, 5 June
- APEC Finance Ministers' Process Seminar on Disaster Risk Financing in the Asia-Pacific Region, Jogjakarta, 18-19 June
- APEC/OECD Seminar on Long-Term And Stable Financing for Infrastructure Development, Dalian, 26-27 June
- APFF Symposium, Seattle, 7 July
- Asia-Pacific Financial Corporation Seminar, Seoul, 29 August
- ASEAN Insurance Summit, Singapore, 1 October
- OLIS-LIAM-MII Life Insurance Seminar, Kuala Lumpur, 8 October
- APFF Conference, Beijing, 23 October
- East Asian Insurance Congress, Taipei, 26 November
- APIP Infrastructure Dialogue and APEC PPP Experts Panel Meeting, Jakarta, 24 November
- Dialogue with ASEAN Insurance Regulators, Brunei, 26 November
- OECD Roundtable: Annuity Regulation and Risk Management, Impact of the Low Interest Rate Environment, Paris, 3-5 December 3-5

2015 seminars/conferences relevant to the WS

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- APFF Roundtable on regulatory issues, Hong Kong, 27 January
- OECD High-level Panel on Institutional Investors and Long-term Investment, 13 March
- ASSAL Annual Conference, San José, 13-16 April
- APEC FMP Micro-insurance and Disaster Risk Finance Seminar, Bacolod City, 29-30 April
- APEC FMP Long-term Investment Seminar, Toronto, 15 May
- APEC FMP Infrastructure Financing Seminar, Manila, 23-24 July
- APFF Symposium, including retirement/longevity panel, Melbourne, 8-13 August
- APEC Finance Ministers Meeting – possible APFF event, Cebu, 9-12 September
- AIRDC Conference, Seychelles, 28-30 September
- ASEAN Rendez-vous, Bali & ASEAN Insurance Council Meeting, Phnom Penh, October
- FIDES Annual Conference, Santiago de Chile, 25-28 October

Asia Pacific Financial Forum (APFF) Insurance and Retirement Income Work Stream

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The screenshot shows the MackGlobe.com website with a navigation bar and several news articles. The main article is titled "APEC Finance Ministers officially endorsed the APFF interim report, Beijing, October 22, 2014". Below it is another article titled "Mack participated in the ASEAN Insurance Summit in Singapore, October 1, 2014". The website also features a search bar, a "Members Only" section, and a "Resources" section.

**For more details on the APFF, visit mackglobe.com
or email Makoto Okubo, Nippon Life (m-okubo@nliinter.com)**