

# **Insurance Statistics for Monetary Policy**

**Presentation at the OECD-Asia Regional Seminar:  
Enhancing Transparency and Monitoring of Insurance Markets**

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The views expressed are those of the presenter, and should not be attributed to the International Monetary Fund, its Executive Board, or its management.



# Sectorization in Monetary Statistics

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- Follows *1993 SNA*
  - Will be adjusted according to *2008 SNA*
- Financial Corporations
  - Depository Corporations
    - ❖ Central Bank
    - ❖ Other Depository Corporations
  - Other Financial Corporations
    - ❖ Other Financial Intermediaries
    - ❖ Insurance Corporations and Pension Funds
    - ❖ Financial Auxiliaries

# Relevance of the Insurance Subsector

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- Volume of assets (approximately)
  - Euro area (ICPF): € 6,700 bn. (over 80% IC)
    - ❖ 30% of MFIs balance sheet
  - United Kingdom: £ 1,250 bn.
    - ❖ 18% of ODCs balance sheet
  - Switzerland: US\$ 440 bn.
    - ❖ 22% of ODCs balance sheet
  - Japan: US\$ 3,000 bn.
    - ❖ 18% of ODCs balance sheet
  - Korea: US\$ 340 bn.
    - ❖ 25% of ODCs balance sheet

# Relevance of the Insurance Subsector

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- Volume of assets (approximately)
  - United States: US\$ 5,800 bn.
    - ❖ 27% of ODCs balance sheet
  - Latin America
    - ❖ Varies by country
      - From US\$ 0.1 bn. in Paraguay to US\$ 40 bn. in Mexico and US\$ 160 bn. in Brazil
    - ❖ Between 6% and 15% of ODCs balance sheet



# Insurance Data for Monetary Policy

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- IC sector a net borrower from the nonfinancial private sector
  - Transmission mechanisms
    - ❖ Indirect financing of lending through IC

# Insurance Data for Monetary Policy

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- Long-term deferred liabilities
  - Life insurance corporations
    - ❖ Insurance technical reserves
      - Around 75%-80% of total assets
    - ❖ Assets of the household sector

# Insurance Data for Monetary Policy

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- Long-term investments
  - Government securities
    - ❖ Euro area (ICPF): 16% of total assets (€ 1,100 bn.); 40% of ODCs claims on government
    - ❖ Brazil: 9% of total assets (US\$13 bn.); 2% of ODCs holdings of government securities
    - ❖ Mexico: 39% of total assets (US\$ 16 bn.); 11% of ODCs holdings of government securities

# Insurance Data for Monetary Policy

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- Long-term investments
  - Equity in private corporations
    - ❖ Direct and through investment funds
      - Euro area (ICPF): 28% of total assets (€ 1,900 bn.)
      - United Kingdom: 27% of total assets ( £ 340 bn.)
      - Switzerland: 44% of total assets (US\$ 190 bn.)
      - United States: 30% of total assets (US\$ 1,700 bn.)
      - Brazil: 75% of total assets (US\$ 120 bn.)
      - Mexico: 10% of total assets (4 bn. US\$)
    - Foreign investment
      - ❖ Euro area (ICPF): € 800 bn.



# Collection of Data

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- STA work was focused on monetary data
  - Central bank and other depository corporations
- Moving towards financial corporations survey
  - Insurance corporations and pension funds
  - Other financial intermediaries
- Currently, only 23 countries report data on OFCs
  - Ten of them from Latin America
  - Insurance corporations part of data
    - ❖ But not always included

# Collection of Data

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- Normally not supervised by the central bank
- Accounting records
  - Different from depository corporations
    - ❖ Different purposes
    - ❖ Different level of detail
- Periodicity and timeliness
- Coordination between central bank (monetary data compiler) and insurance corporations supervisory agency

# IMF Standardized Report Forms

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- Standardization following SNA
  - Residency
  - Domestic sectors
  - Financial instruments
  - National and foreign currency
- [Standardized Report Forms](#)
- Comparability across countries

# Data Dissemination

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- At a national level
  - In monetary and financial statistics
  - On national websites
- IMF level
  - *International Financial Statistics*
    - ❖ Part of OFCs data
    - ❖ Ideally, monthly data; but at least quarterly
- At regional or sub-regional level (e.g. ECB)
  - Harmonization of methodology
  - Harmonized data dissemination