

OECD-ADBI-IRDAI Roundtable on Insurance and Retirement Saving in Asia

Sponsored by the Government of Japan

16-17 March 2020
Hyderabad City, India

Presiding Chair: Prof Yoshihiro Kawai, Chair of the OECD Insurance and Private Pensions Committee

The purpose of this roundtable is to better inform policy makers and private sector participants in Asia of the policy analysis that the OECD is developing, and to discuss key issues in the Asian market with the aim of sharing experience and good practices for the sound development of insurance and private pensions markets.

The Asia-Pacific region is among the fastest growing markets in the world for insurance and is responsible for an increasing share of global insurance premiums and pension assets under management. However, the level of insurance and retirement savings penetration remains low, leaving large numbers of individuals unprotected against both certain and uncertain risks in the context of important economic, demographic and social changes in the region. The development of insurance and private pension markets provides an opportunity for the diversification of risk over time and among different participants.

The OECD's Insurance and Private Pensions Committee and its Working Party on Private Pensions have been developing work in the area of insurance and private pensions that addresses policy interests and emerging issues in these markets, and have been making policy recommendations based on evidence-based analysis.

Day 1 – Monday, 16 March 2020	
9:30-10:15	Opening Remarks
	<p>Yoshihiro Kawai, Presiding Chair of the Roundtable, Chair of the OECD Insurance and Private Pensions Committee, and Advisory to the Commissioner, Financial Services Agency of Japan</p> <p>Subhash Chandra Khuntia, Chairman, IRDAI</p> <p>Greg Medcraft, Director, Directorate of Financial and Enterprise Affairs, OECD</p> <p>Naoyuki Yoshino, Dean, ADBI</p>
10:15-13:00	Session 1: Tour de table: market and regulatory developments in Asia, and in particular South and Southeast Asia
10:15-11:15	The Asian insurance and private pension markets are developing rapidly, and in tandem with this, authorities are developing new regulation and taking action to meet the needs of growing markets.

	<p>In this session, all regulatory authorities will be invited to present their insurance and/or private pensions market and any new regulations in the past few years.</p> <p>In terms of market developments, the risks and opportunities that insurers and private pension are facing and how they are adapting their business models. How regulators are approaching these changes and what approaches are being taken will also be discussed.</p> <p>The session will be split into regions.</p> <p>Co-Moderators: Pitchaya Sirivunnabood, Economist, ADBI and K. Ganesh, Member (Life) , IRDAI , India</p> <p>Speakers</p> <ul style="list-style-type: none"> • Conor Donaldson, Head of Implementation, IAIS • Sri Lanka • Bangladesh
11:15-11:30	Coffee break
11:30-12:30	<p>Cont.</p> <p>Session 1: Tour de table: market and regulatory developments in Asia, and in particular South and Southeast Asia</p>
	<p>Discussants</p> <ul style="list-style-type: none"> • Thailand • Indonesia • Philippines <p>Open discussion</p>
13:00-14:30	Lunch
14:30-17:00	Session 2: Insurance in a changing climate
14:30-15:30	<p>A changing climate will have significant implications for insurance companies, affecting their exposure to risk in the products they underwrite and the assets in which they invest (to be discussed in session 4) and potentially affecting the types of coverage that they ultimately offer. This session will discuss the implications of climate change across the business models of insurance and ways in which regulation may need to be adapted to account for the changing environment.</p> <p>Moderator: Yoshihiro Kawai, Presiding Chair of the Roundtable, Chair of the OECD Insurance and Private Pensions Committee, and Advisory to the Commissioner, Financial Services Agency of Japan</p> <p>Speakers</p> <ul style="list-style-type: none"> • Praveen Sandri, Managing Director & Senior Vice President, AIR Worldwide India • Robert Muir-Wood, Chief Research Officer, Risk Management Solutions • Masaaki Nagamura, General Manager, Corporate Social Responsibility, Tokio-Marine (invited) • Arup Chatterjee, Principal Financial Sector Specialist, Sustainable Development and Climate Change Department, Asian Development Bank

	<ul style="list-style-type: none"> ● Representative, National Disaster Management Authority, India (invited)
15:30-16:00	Coffee break
16:00-17:00	Cont.. Session 2: Insurance in a changing climate
	<ul style="list-style-type: none"> ● Representative, National Association of Insurance Commissioners (invited) ● G Srinivasan, Director, National Insurance Academy and Former Chairman of New India Assurance Company ● Leigh Wolfrom, Policy Analyst (insurance), Directorate for Financial and Enterprise Affairs, OECD Open discussion
18:00-20:30	Dinner reception

Day 2 – Tuesday, 17 March 2020	
9:00-12:30	Session 3: How to establish and strengthen voluntary retirement savings? International experience
9:00-10:30	<p>Many countries are looking into strengthening the role of funded pensions arrangements by promoting voluntary retirement savings. Others are discussing how best to introduce voluntary retirement arrangements in an inclusive manner, achieving as high as possible coverage. This session will discuss different approaches available given international practices, highlighting the challenges and presenting potential solutions. The discussion will include behavioural approaches to promote and increase the coverage of voluntary saving, arrangements to bring into saving for retirement people on non-standard forms of work, and how the pension industry deals with this issues.</p> <p>Moderator: Pablo Antolin, Head, Private Pensions Unit, Directorate for Financial and Enterprise Affairs, OECD</p> <p>Speakers</p> <ul style="list-style-type: none"> • Representative of PFRDA • Representative of Department of Pension and pension welfare , Govt of India • Representative from UK • Representative from Prudential • Vipin Anand, Managing Director, LIC of India
10:30-11:00	Coffee break
11:00-12:30	Session 4: How to structure the retirement phase?
	<p>Traditionally when people reaches retirement, they either allocate the assets accumulated in their retirement accounts to buy into a drawdown program or a life annuity. The former allows for flexibility and liquidity but lacks longevity protection. The later provides longevity protection but lacks flexibility and liquidity. Moreover, the current environment of low growth and low returns have made annuitization less attractive. Most countries are struggling with different approaches to provide income in retirement with a look on sharing the risks involved (e.g. investment and longevity risk).</p> <p>This session will discuss some of these risk sharing approaches to structure the retirement phase, it will also present the example of a completely different approach (a centralised annuity provider) and will get insights from the industry.</p> <p>Moderator: Pablo Antolin, Head, Private Pensions Unit, Directorate for Financial and Enterprise Affairs, OECD</p> <p>Speakers</p> <ul style="list-style-type: none"> • Representative of Singapore (centralised annuity provider) • Representative from Prudential • Vipin Anand, Managing Director, LIC of India
12:30-14:00	Lunch

14:00-14:30	<p>Keynote speech: Asset Management of Insurance and Pension funds for Infrastructure development</p> <p>Naoyuki Yoshino, Dean, ADBI</p>
14:30-17:00	<p>Session 5: Sustainable investment for institutional investors</p>
14:30-15:30	<p>Institutional investors are increasingly an important part of the economy, not only with the volume of the investments they make, but also with how and where they make their investments, signalling their approach to environmental, social and governance matters. Assets under management for institutional investors is estimated (for the top 400 asset managers) globally at EUR65.7 trillion in 2018¹, and even a small change in their investment behaviour can have a large impact.</p> <p>As the interest and shift to more ESG factors accelerates, institutional investors are looking for ways to balance the need to be conscious of these factors as well as ensuring a sufficient return to be able to meet the policyholder/beneficiary promises and solvency requirements.</p> <p>The OECD is working on a project that assesses how ESG asset management models of institutional investors are performing, and will provide some preliminary findings.</p> <p>Moderator/speaker: Mamiko Yokoi-Arai, Principal Administrator and Head of Insurance, OECD</p> <p>Speakers</p> <ul style="list-style-type: none"> • KIMURA Minoru, Executive Officer, Head of Asia Pacific, Nippon Life Insurance Company • Michael Woolley, Client Portfolio Manager, Equity, Eastspring Investments (Singapore) • Navneet Munot, Chief Investment Officer, SBI Funds Management Private Limited • Axa
15:30-16:00	<p>Coffee break</p>
16:00-17:00	<p>Cont..</p> <p>Session 4: Sustainable investment for institutional investors</p>
	<p>Discussants</p> <ul style="list-style-type: none"> • Matthew McAdam, Head of Asia Pacific, UN PRI • Hida Norio, Deputy Commissioner for International Affairs, Financial Services Agency of Japan
17:00-17:30	<p>Closing Remarks</p> <p>Greg Medcraft, Director, Directorate of Financial and Enterprise Affairs, OECD</p>
18:00	<p>Joint dinner reception for Roundtable and Reinsurance Symposium</p>

¹ <https://www.ipe.com/reports/special-reports/top-400-asset-managers/total-global-aum-2019/10031648.article>