

AGENDA

VIRTUAL CROSS-CUTTING PROGRAM ON RISK-BASED SUPERVISION (RBS) AND PROPORTIONALITY FOR INSURANCE SUPERVISORS AND REGULATORS FROM AFRICA

AUGUST 9 - 13, 2021



Program Funded By:



Global Affairs
Canada

Affaires mondiales
Canada



THE PROGRAM

PROGRAM DESCRIPTION

In the new normal of today's world, supervisors need to be forward-looking and develop plans for intervening early if a material problem/risk surfaces at their financial institutions. RBS can facilitate development or enhancement of supervisory risk appetite, more efficient, targeted supervision, early detection of emerging problems, and can allow for measured and proportional intervention action, financial inclusion, and responsible market development.

To help supervisors address the challenges of supervising the new normal, this 5-half days regional program (offered over 5 consecutive days) is designed to assist insurance supervisors in becoming more effective and nimbler in their work to better allocate resources, affect change and deliver results. This will allow them to focus on the areas of greatest risk in their institutions and in their industry. The program will also incorporate cross-cutting themes such as market development, gender equality and financial inclusion, and climate risk – throughout all the sessions. It will also include training on communication with key stakeholders: an essential skill required to implement RBS.

PROGRAM OBJECTIVES

This program is designed to enhance participants' understanding and gain a practical perspective on:

- RBS developments in the insurance sector in Sub-Saharan Africa (SSA).
- Key concepts, principles and general approach for an effective implementation of RBS.
- Intersection of RBS, financial inclusion, proportionality and UN SDGs and its benefits to supervisors, regulators and regulated entities, and to the wider financial system.
- Incorporating climate related risks in RBS.
- How to assess business models, identify significant activities and assess the performance of board, senior management and the independent oversight functions such as internal audit, risk management in a regulated entity e.g. an insurance company.
- How to conduct RBS on-site examination in the new normal (during and post COVID-19).
- The importance of early intervention and how this can lead to a stronger supervisory authority, enhanced public confidence, greater financial stability and financial inclusion.

This is a highly interactive program which will include technical vignettes, group activities, and real life examples and case studies.

WHO SHOULD ATTEND?

The first day of the program (half-day on August 9) will bring together Commissioners, Deputy Commissioners, Heads of Supervision and Heads of Support areas such as Actuarial, Compliance, and Policy and Research.

The remaining four days of the program (consecutive half-days on August 10 – 13) are designed for middle- to senior-level officials involved in the supervisory oversight of financial institutions and related activities. Participants should have at least three years of working experience in financial sector supervision, or policy and regulatory analysis, or market development including financial inclusion and gender equality policies.

Program timings: Monday to Thursday 13:00 to 17:00 hours; Friday 13:00 to 15:30 hours, Kigali Rwanda (Central Africa Time (CAT)) time.

THURSDAY, AUGUST 5

14:00 to 15:00 **Networking, Icebreaker, Zoom use, and accessing Program materials briefing**

MONDAY, AUGUST 9

- 13:00 – 13:15 **Live stream: Welcome and Opening Remarks**
Senior Official, National Bank of Rwanda (BNR)
Mr. Babak Abbaszadeh, President and CEO, Toronto Centre (TC)
Shelina Visram, Program Director, TC
Online Group Photo
- 13:15 – 13:45 **Session 1: Roundtable: RBS landscape in the SSA insurance sector**
Michael Kofi Andoh, Program Leader and Shelina Visram, TC
- Insurance industry in SSA
 - Challenges and potential solutions
- 13:45 – 14:45 **Session 2: Essential Elements for Effective Implementation of RBS**
Judith Roberge, Program Leader, TC
- RBS versus CBS methodology
 - RBS and proportionate supervision approach to incorporate Social Goals
 - How can RBS promote FI & GE (SDG 5)
 - Climate risk implications (SDG 13)
 - Organization structure and human resources strategies
 - Supervisory tools
 - Quality assurance (line management, independent e.g. Internal Audit)
 - Potential roadblocks of implementing RBS
- 14:45 – 15:00 **BREAK**
- 15:00 – 16:00 **Session 3: Macroprudential/Consolidated Supervision**
Carl Hiralal, Program Leader, TC
- Macroprudential vs microprudential supervision
 - Main elements of macroprudential supervision
 - Macroprudential supervision tools
 - Main elements of consolidated/group-wide supervision
- 16:00 – 16:45 **Session 4: Risk-Based Capital (RBC)**
Judith, Program Leader, TC
- Basics of capital adequacy and solvency
 - Capital adequacy requirements
 - Risk categories: Common framework
 - Regulatory capital ratios - Examples
 - Proportionality and risk-based regulatory capital framework
- 16:45 – 17:00 **EVALUATION / CLOSING CEREMONY**

TUESDAY, AUGUST 10

- 13:00 – 13:15 **Live stream: Welcome and Opening Remarks**
Senior Official, National Bank of Rwanda (BNR)
Mr. Babak Abbaszadeh, President and CEO, Toronto Centre (TC)
Shelina Visram, Program Director, TC
Online Group Photo
- 13:15 – 14:00 **Session 5: Roundtable: RBS landscape in the SSA insurance sector**
Michael Kofi Andoh, Program Leader and Shelina Visram, TC
- Highlights from Day 1 with Commissioners and participants thoughts
 - Program objectives
 - Insurance industry & RBS landscape in SSA
 - Challenges and potential solutions
- 14:00 – 15:15 **Session 6: Steps in RBS - Understanding Business Profile of Financial Institutions**
Case Study: Introductory level case study on RBS (Pegasus General Insurance Co)
Carl Hiralal, Program Leader, TC
- How to analyze and develop an insurer's business profile or Knowledge of Business (KOB)
 - Impact of macroeconomic, environmental and industry factors
 - Sources of macroeconomic information
- 15:15 – 15:30 **BREAK**
- 15:30 – 16:45 **Session 7: Steps in RBS – Identifying Areas of Risk Focus or Significant Activities**
Case Study: Introductory level case study on RBS (Pegasus General Insurance Co)
Judith Roberge, Program Leader, TC
- How to identify areas of risk focus or significant activities
- 16:45 – 16:55 **Wrap-up thoughts for the day**
Shelina Visram
- 16:55 – 17:00 **EVALUATION / END OF DAY**

WEDNESDAY, AUGUST 11

- 13:00 – 14:00 **Session 8: Steps in RBS – Identifying and Assessing Key Risk Drivers or Inherent Risks in the Significant Activities**
Case Study: Introductory level case study on RBS (Pegasus GI Co) (Cont.)
Michael Kofi Andoh
- Identifying and assessing risks inherent in the activities
 - Building expectations for the quality of risk management required to mitigate risks inherent in the activities
- 14:00 – 15:15 **Session 9: Steps in RBS – Assessing Quality of Risk Management and Governance Functions and Net Risk in the Significant Activity**
Case Study: Introductory level case study on RBS (Pegasus GI Co) (Cont.)
Judith Roberge
- Assessing risk mitigation at the operational management level
 - Assessing effectiveness of oversight over each activity
 - Assessing net risk in each activity
 - Assessing overall effectiveness of each oversight function
 - Share real life examples
- 15:15 – 15:30 **BREAK**
- 15:30 – 16:45 **Session 10: Interviewing Techniques (On site and Off site)**
Carl Hiralal and Michael Kofi Andoh
- Importance of interviewing skills in RBS
 - Preparing for the interview
 - Conducting the interview
 - Quantitative versus Qualitative interviews
 - Role play
- 16:45 – 16:55 **Wrap-up thoughts for the day**
Shelina Visram
- 16:55 – 17:00 **EVALUATION / END OF DAY**

THURSDAY, AUGUST 12

- 13:00 – 14:15 **Session 11: Steps in RBS – Assessing Overall Net Risk and Adequacy of the Financial Resources of a Company**
Case Study: Introductory level case study on RBS (Pegasus GI Co) (Cont.)
Judith Roberge, Program Leader, TC
- Assessing overall net risk in significant activities
 - Assessing the earnings, capital and liquidity in the context of residual risks
- 14:15 – 15:15 **Session 12: Stakeholder Communication and Persuasion**
Shelina Visram
A session on how to convince key stakeholders to support work proposals:
- Analyze stakeholders – who they are, what they like and dislike and what is needed to get their support.
 - Introduce the “Four box model” for effective persuasion and communication.
 - Building a “burning platform” and using the “Four box model” for effective persuasion of key stakeholders.
- 15:15 – 15:30 **BREAK**
- 15:30 – 16:45 **Session 13: Steps in RBS – Assessing the Risk Profile and Level of Supervisory Intervention for a Company**
Case Study: Introductory level case study on RBS (Pegasus GI Co) (Cont.)
Michael Kofi Andoh
- Assessing the risk profile of a company
 - Assessing the stability of its risk profile
 - Types of approaches to assessing the level of intensity of supervisory intervention and actions
 - Dealing with troubled companies
- 16:45 – 16:55 **Wrap-up thoughts for the day**
Shelina Visram
- 16:55 – 17:00 **EVALUATION / END OF DAY**

FRIDAY, AUGUST 13

- 13:00 – 14:20 **Session 14: Macroprudential/Consolidated Supervision**
Carl Hiralal
- Macroprudential vs microprudential supervision
 - Main elements of macroprudential supervision
 - Macroprudential supervision tools
 - Main elements of consolidated/group-wide supervision
- 14:20 – 14:30 **BREAK**
- 14:30 – 15:00 **Session 15: Final Session: Group discussion**
Shelina Visram
- Q&As
 - Key lessons learned