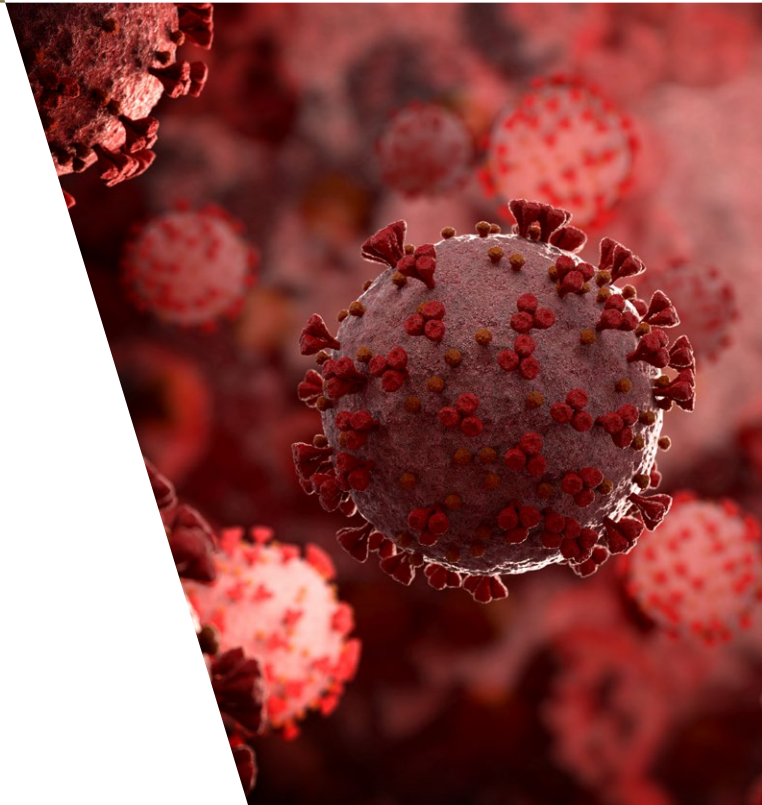




INSURANCE FOR A BETTER WORLD

2020

ANNUAL REPORT



2020

ANNUAL REPORT

The Geneva Association

The Geneva Association—International
Association for the Study of Insurance Economics

Annual Report 2020

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Petr Neugebauer

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Letter from the **CHAIRMAN**



“ Insurers redefined what resilience means and entrenched our commitment in our purpose – to help people.”

The world has changed due to the COVID-19 pandemic. Although the pandemic is not fully behind us just yet, we can reflect on the profound impact it's had on people, the global economy and society more broadly.

Through quick actions to protect employees and transition to virtual operations, to supporting customers through times of unprecedented change, insurers redefined what resilience means and entrenched our commitment in our purpose – to help people.

The Geneva Association, too, successfully responded to the realities of the pandemic in 2020, identifying opportunities to increase its impact. The organisation recognised the major implications of the pandemic for insurers and adapted its research agenda to include a special work stream on pandemics and insurance. Through three reports – on insurability (2020), public-private solutions (2021), and the post-pandemic risk landscape (2021) – the Association is helping the industry answer key questions and identify solutions to effectively support society moving forward.

While The Geneva Association has done an excellent job focusing its research and operations on the pandemic, it has also stayed immersed in the broad range of risks facing insurers and societies. The pandemic has driven home the importance of good risk management practices and the need to prepare for large tail-risk events – one of the most significant being climate change. The Association released six new reports on flood risk management in mature economies and the opportunities to make flood resilience a priority. The Geneva Association will continue to build on this work and convene members to work together to identify concrete opportunities to address climate risks and protect society.



The first winner of the Geneva Association Women in Insurance Award, Garance Wattez-Richard, was announced in 2020. Recognising the leadership of women in our industry is critical and speaks to our commitment to gender equity, particularly at the leadership level of our organisations. Congratulations to Ms Wattez-Richard, and we look forward to continuing this work in 2021.

As an organisation whose member CEOs represent the world's leading insurers, The Geneva Association is a uniting force. We will continue to work to use the industry's expertise to identify solutions to address some of the world's toughest challenges, reinforcing our deep commitment to 'insurance for a better world'.

Charles Brindamour

Managing Director's **MESSAGE**



“ The Geneva Association has fortified its role as the think tank for the global insurance industry – despite the pandemic – and we have a lot to look forward to.”

2020 was, foremost, a devastating year. At The Geneva Association, our thoughts are with the countless people, communities, and businesses who have been impacted by COVID-19.

But we should not forget that the challenges brought by the pandemic sparked remarkable adaptation, innovation, and success.

I am thankful that our team oriented with ease to the pandemic context, switching to remote work and interactions. For us, the 'future of work' will be more agile and flexible. It is a more holistic approach to employee well-being, and we wouldn't know this without the stay-at-home orders of the pandemic.

In 2020, one of the most important things we do at The Geneva Association was threatened: bringing people together through our conferences and events. We successfully overcame this by shifting to the virtual conference world. Of course, we get something different out of in-person meetings, but it was gratifying to see the number of participants in our conferences double and to bring important discussions to life during a period of such great challenge, including for the insurance industry.

Our research, too, strived to support insurers in dealing with the adversities of the pandemic and beyond. We issued 13 research reports in 2020, a significant increase compared to previous years. I would like to highlight a selection of them:

When COVID-19 put the spotlight on pandemic risk, we launched a special series on pandemics and insurance. The first report explored the insurability of pandemic risk in life, health and P&C. The report finds that even though the underwriting losses of health and life insurers from COVID-19 will be significant, they will be manageable. Pandemic-induced business continuity risk, however, due to its potential to impact virtually all policyholders simultaneously, over an extended period of time, defies insurability. This set the stage for us to look at government-led partnership solutions in the second report (2021).

The parallels between the COVID-19 pandemic and climate risks are clear: they cost far more to react to than to prepare for, with vulnerable populations suffering disproportionately. Floods are the costliest weather-related events globally. In 2020 we published a series on flood risk management (FRM), with in-depth country studies on Australia, Canada, Germany,



England, and the U.S., to spread awareness of gaps in flood protection and successful approaches to FRM already in place, aiming to guide public and private actors in strengthening society's resilience to this urgent and growing risk.

The topic of 'health' is probably more at the front of our minds, as a society, than ever before. After expanding the scope of our Global Ageing work stream to Health & Ageing, the new work stream's first report in 2020 explored the opportunities for insurers in digital health – a market that experienced significant growth during the pandemic.

For these reports and more, we organised a webinar under our new Risk Conversations series – the first events we have ever opened to the broader public and a direct product of the pandemic. We will continue this successful series going forward.

I take this opportunity to warmly thank our CEO members, their companies, and all others who engage in our work, from insurance associations to regulatory bodies, policymakers, academics and international organisations. With your support, The Geneva Association has fortified its role as the think tank for the global insurance industry – despite the pandemic – and we have a lot to look forward to.

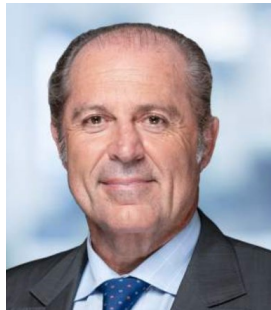
Jad Ariss

BOARD of Directors

As of June 2021



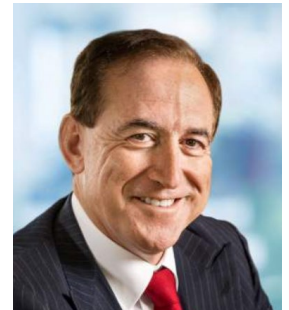
Thomas Buberl
CEO, AXA



Philippe Donnet
CEO, Assicurazioni Generali



Brian Duperreault
Executive Chair of
the Board, AIG



Antonio Huertas Mejías
Chairman and CEO, MAPFRE



Denis Kessler
Chairman and CEO, SCOR



Michel Khalaf
President and CEO, MetLife



Lee Yuan Siong
Chief Executive and
President, AIA

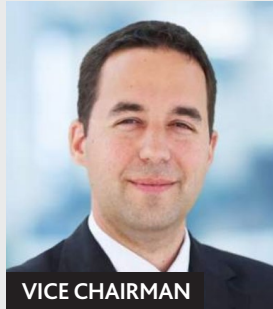


Charles F. Lowrey
Chairman and CEO,
Prudential Financial

EXECUTIVE COMMITTEE



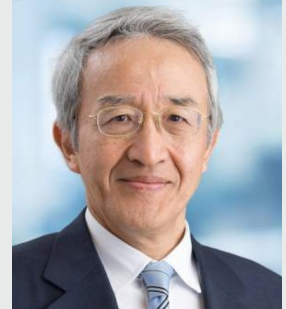
Charles Brindamour
CEO, Intact Financial



Christian Mumenthaler
CEO, Swiss Re



Oliver Bäte
Chairman of the Board of
Management, Allianz



Tsuyoshi Nagano
Chairman, Tokio Marine



Anna Manning
President and CEO,
Reinsurance Group of America



John Neal
CEO, Lloyd's of London



Alejandro Simón
CEO, Grupo Sancor Seguros



Yoshinobu Tsutsui
Chairman, Nippon Life
Insurance



Joachim Wenning
Chairman of the Board of
Management, Munich Re

OVERVIEW

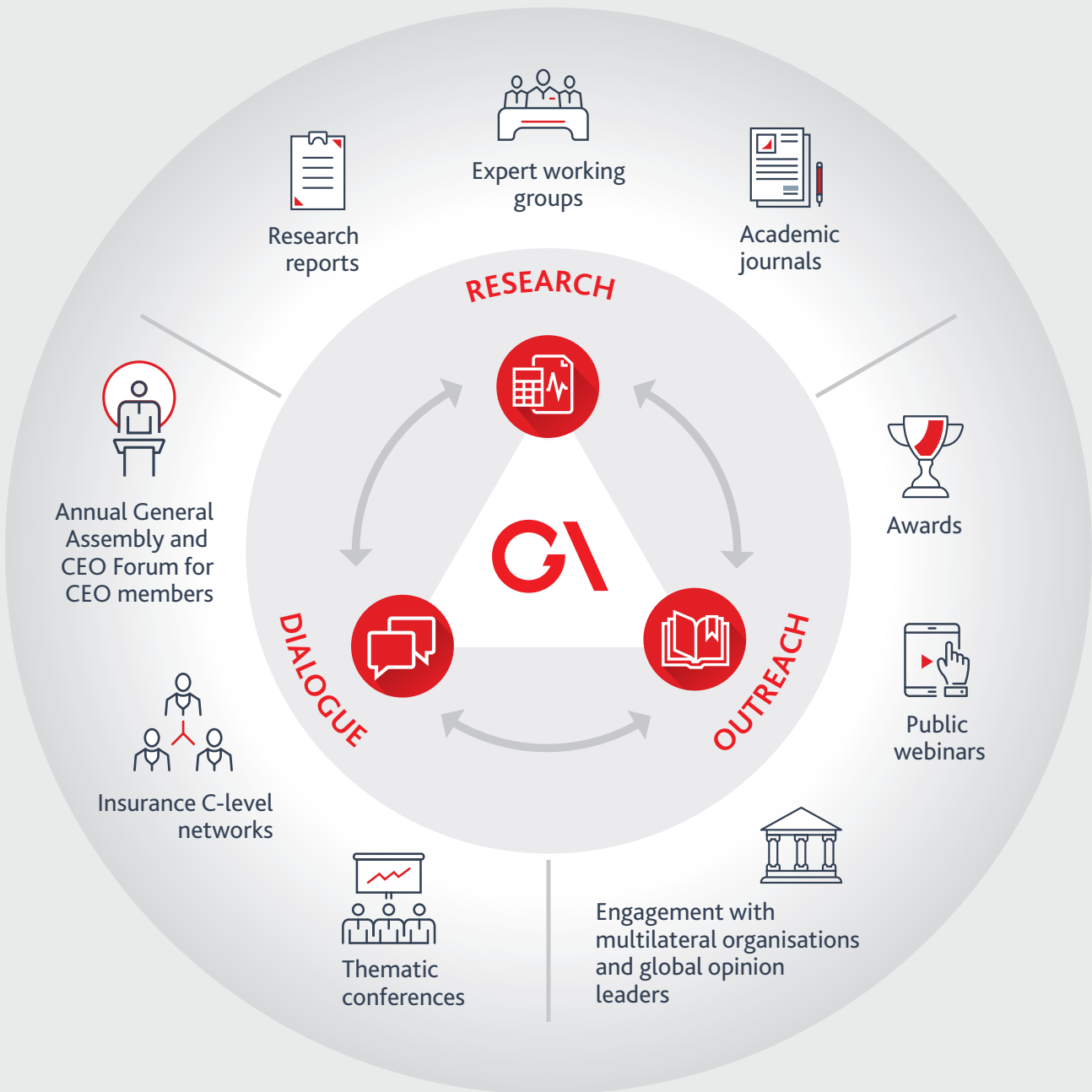
of The Geneva Association

The Geneva Association is the only global association of insurance companies; its members are insurance and reinsurance CEOs.

In total, the companies of Geneva Association members are headquartered in 25 countries around the world; manage more than USD 17 trillion in assets; employ more than 2 million people; and protect almost 2 billion people.

Based on rigorous research conducted in collaboration with its members, academic institutions and multilateral organisations, The Geneva Association:

- **Identifies and investigates** key trends and risk areas that are likely to shape or impact the insurance industry and develops corresponding recommendations for the industry and for policymakers.
- **Provides a platform** to its members, policymakers, academics, multilateral and non-governmental organisations to discuss these trends and recommendations.
- **Highlights the positive contributions** of insurance to a better understanding of risks and to building more resilient and prosperous economies and societies – in both developed and emerging countries – and thus a more sustainable world.



ADAPTING

to the pandemic context

COVID-19 completely changed the world in 2020, and like all organisations, The Geneva Association had to adapt to the new realities of the pandemic. To prioritise the health and safety of all staff members, our office in Zürich remained closed from March–May and we shifted to remote working.

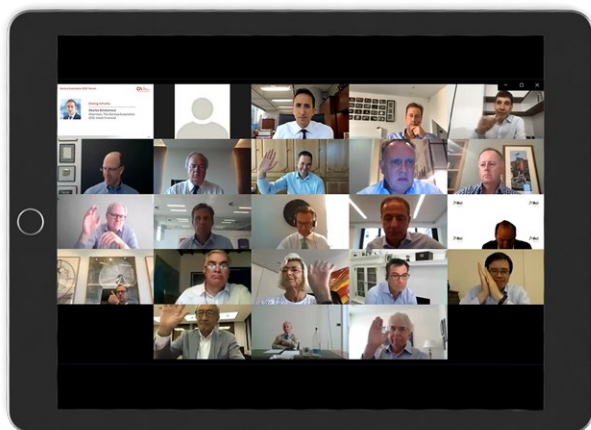
SUCCESSFUL MOVE TO DIGITAL

Like many organisations, The Geneva Association accelerated its own digitalisation. We moved our physical conferences online, with virtual editions of our Geneva Association Economic Forum, Chief Investment Officers Conference, Evolving Liability Conference and Health & Ageing Conference.

We also introduced a new Risk Conversations webinar series – webinars to present recent Geneva Association research on today's global risks. The series kicked off with six webinars in 2020, attended by a total of 810 people.



Evolving Liability Conference.



Member CEO Forum.

VIRTUAL MEMBER CEO FORUM

Our traditional General Assembly, scheduled to take place 27–30 May 2020 and hosted by AIG in New York, was unfortunately cancelled in 2020 due to COVID-19. For the first time in our 47-year history, Geneva Association insurance CEO members therefore came together in a virtual setting in September. It was a pleasure to have 60% of Geneva Association CEO members participate in the event.

COVID-19 REFLECTIONS DURING LOCKDOWN

In our COVID-19 conversations 'velfie' series, Jad Ariss, Geneva Association Managing Director sent a message of support, from home, and expounded the challenges facing the industry and society as we navigate through the pandemic. Geneva Association research directors expounded the pandemic's implications relevant to their respective areas of research: how COVID-19 is affecting health, beyond the direct effects of infection; the ways in which technology is moving the needle in addressing the COVID-19 crisis; how hackers are exploiting vulnerabilities exposed by remote working and the accelerated shift to digital; and the lasting effects of the pandemic on people, businesses and governments and the possible post-COVID-19 risk landscape.



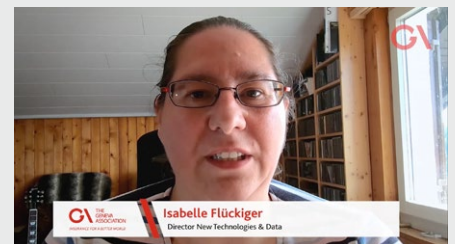
WATCH VIDEO

Jad Ariss, Managing Director: Insurance companies are fully mobilised to support their customers during the pandemic.



WATCH VIDEO

Adrita Bhattacharya-Craven, Director Health & Ageing: The health & ageing dimension of COVID-19.



WATCH VIDEO

Isabelle Flückiger, Director New Technologies & Data: Technology is moving the needle in addressing the pandemic.



WATCH VIDEO

Rachel Carter, Director Cyber: Remote working causing surge in cyber activity.



WATCH VIDEO

Kai-Uwe Schanz, Head of Research & Foresight: The post-COVID-19 risk landscape: what to expect.

SPECIAL RESEARCH INITIATIVE: PANDEMIC AND INSURANCE

In response to the many present and foreseeable implications of COVID-19, The Geneva Association launched a series of initiatives to address pandemics through its research:



2020

- An Investigation into the Insurability of Pandemics (October 2021)

2021

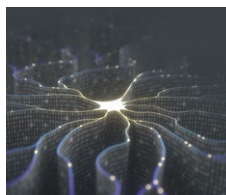
- Public-private solutions to pandemic risk
- Analysis of the post-COVID-19 risk landscape
- Survey of insurance customers: experiences with insurers during the pandemic and future expectations
- Regulatory considerations for digital insurance business models

TIMELINE

2020 highlights included launching a special research initiative on pandemic risk, entering the debate on the role of insurance in pandemics. We also introduced virtual events, allowing us to organise our first Member CEO Forum, initiate a Risk Conversations webinar series, and hold an event on Women Intrapreneurs in Insurance, featuring the winner of the first Women in Insurance Award.



- Publication of *Promoting Responsible AI in Insurance*



- New research directors appointed: Isabelle Flückiger, New Technologies & Data; Adrita Bhattacharya-Craven, Health & Ageing



- Announced Women in Insurance Award winner, Garance Wattez-Richard, CEO AXA Emerging Customers
 - Announced Ernst Meyer Prize winners, Lu Li and Stefan Schelling
 - CIO Roundtables

- Announced new Board members: Michel Khalaf, CEO Metlife; Anna Manning, CEO RGA; John Neal, CEO Lloyd's of London
 - Publication of *Obstacles to Life Insurance Demand*

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

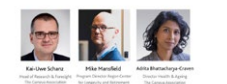
- PROGRES Seminar



- New research director appointed: Dennis Noordhoek, Public Policy & Regulation



- Launch of Risk Conversations webinar series with The Life Insurance Puzzle
 - Publication of flood risk management reports (U.S., England, Germany and Overview)





13

research reports



5

research briefs

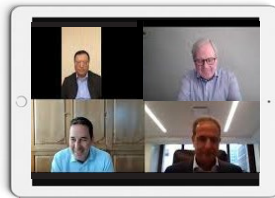


4

issues of
The Geneva Papers



- Geneva Association Economic Forum
- Publication of *Cyber Terror and Cyber War: Towards a common language to promote insurability*



- Geneva Association Member CEO Forum



- Special virtual event: Women Intrapreneurs in Insurance

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
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- Publication of *The Role of Insurance in Mitigating Social Inequality*



- Evolving Liability Conference
- Health & Ageing Conference
- CIO Conference
- Flood Risk Roundtable (Germany)
- Publication of *An Investigation into the Insurability of Pandemic Risk*



- Announced new Director Evolving Liability, Darren Pain (effective 1 January) and new Senior Advisor for China, Jianzhong Yao
- Publication of:
 - *Digital Health: Is the euphoria justified?*
 - *Social Inflation: Navigating the evolving claims environment*
- Flood risk management (Australia, Canada)

RESEARCH ACTIVITIES & EVENTS

1

Climate Change & Emerging Environmental Topics

- Flood risk management (Australia, Canada, Germany, U.K., U.S.)
- Climate risk assesment
- Risks from emerging environmental topics

2

Health & Ageing

- Underinsurance in life
- Digital health
- New care models
- Financial well-being

6

Evolving Liability

- Climate litigation

7

Public Policy & Regulation

- Regulatory view on climate risk assesment

Special Research Initiative on Pandemics:

Through its research activities, The Geneva Association aims to develop and promote a wider understanding of the unique role and importance of insurance in economies and for societies.

3

Socio-economic Resilience

- Insurance & social inequality
- Urban risk landscapes
- The future of work

- Social inflation

- Insurance development in emerging countries

4

New Technologies & Data

- Responsible artificial intelligence
- New technologies for prediction & prevention
- Ethical conduct

- Digital entrepreneurship and insurance

- Regulatory environment for virtual business models

5

Cyber

- Cyber terror & warfare:
 - Common language
 - Attribution
 - Solutions

- Insurability of pandemics
- Public-private solutions to pandemic risk
- Post-COVID-19 risk landscape

PANDEMIC RISK

COVID-19 and the draconian shutdown measures adopted by many governments to contain it have plunged the global economy into the deepest recession since the Second World War. It has sparked a widespread debate on the role of insurers in shouldering losses related to pandemics, and business continuity losses in particular. In 2020, The Geneva Association launched a research series on pandemics and insurance with the aim of helping governments and insurers think about and agree upon feasible, effective ways to work together to better protect society from extreme risks, such as pandemics, going forward.

This special 2020–21 research initiative is led by Kai-Uwe Schanz, The Geneva Association's Head of Research & Foresight and Director Socio-economic Resilience.





RESEARCH REPORT

An Investigation into the Insurability of Pandemic Risk

The first report in the series explores, in number terms, the capacities of insurers to absorb pandemic-related costs, and addresses a number of previously unanswered questions:

- What are the protection gaps in the areas of business interruption, health and mortality?
- How much capacity do insurers have to absorb related losses and help close these gaps?
- Which criteria determine whether a risk is insurable?
- How do the characteristics of pandemics – and their level of insurability – compare to other catastrophic risks?

Encouragingly, the findings indicate that pandemics on the scale of, and similarly lethal to, COVID-19 pose no fundamental insurability challenges for health and life insurers. In the commercial property & casualty insurance arena, however, the uncontrollable aggregation and correlation elements of pandemic risk defy insurability.




OUTREACH

InsuranceERM Risk & Capital EMEA 2020: Jad Ariss, Managing Director joined insurance Chief Risk Officers in discussing insurers' response to COVID-19 and its impact on their businesses and reputation.

Kai-Uwe Schanz presented the findings of *An Investigation into the Insurability of Pandemic Risk* to:

- the European Insurance and Occupational Pensions Authority (EIOPA), Policy Department (September 2020), and
- the Dubai International Financial Center Insurance Association (DIFCIA) (November 2020).

Obstacles to insuring pandemic risk (illustrative)

	 Business interruption	 Mortality	 Health
Randomness/independence of loss occurrence	●	▲	▲
Maximum possible loss	●	▲	▲
Average loss per event	●	■	▲
Number of exposure units	●	▲	▲
Information asymmetries	▲	▲	▲
Insurance premiums	●	▲	▲
Cover limits	●	■	▲
Public policy	■	■	■
Legal restrictions	■	■	■

● Prohibitively high barrier to insurability ▲ Manageable barrier to insurability ■ Insignificant barrier to insurability

Source: The Geneva Association

RISK CONVERSATIONS WEBINAR

Pandemic Risk: Is it really uninsurable?



Presenters in this webinar, held 11 November 2020, explored the findings in The Geneva Association's report, *An Investigation into the Insurability of Pandemic Risk*, and discussed pandemic risk protection gaps and insurability in life, health and business interruption. (November 2020)

 [WATCH VIDEO](#)

Top row: Kai-Uwe Schanz, The Geneva Association; Arne Holzhausen, Allianz; Pamela Corn (Moderator), Director Communications, The Geneva Association. *Bottom row:* Alexander Braun, Hato Schmeiser, University of St. Gallen.

CLIMATE CHANGE & EMERGING ENVIRONMENTAL TOPICS

The Geneva Association's climate research stream delves into the most pressing challenges – from flooding to eroding ecosystems – to identify the role insurers and other stakeholders can play to help mitigate and adapt to urgent risks.

RESEARCH REPORTS

Series: *Building Flood Resilience in a Changing Climate*



Floods are the costliest weather-related events globally. Major flooding events are common, and the increasing frequency and severity of weather-related events linked to climate change will likely increase the direct and indirect economic impacts of floods. The Geneva Association carried out broad and deep investigations into the flood risk management (FRM) systems in five mature economies: the United States, England, Germany, Australia and Canada.

Recognising that floods are a critical issue, governments are taking action to protect those most exposed to flood risk and assisting populations that may not be able to protect themselves. Building resilience to floods is increasingly prioritised; however, disproportionate investment in response over sustainable recovery and measures to effectively reduce the risk remains an issue. Governments need to be

better coordinated and at the same time embrace and define shared responsibilities with other stakeholders. Insurance is a big part of the solution, but access and take-up are not where they should be. People and businesses need more and better information – improved flood risk maps as well as historical information on property they intend to purchase – and governments need to ensure this is provided. The reports aim to spread awareness of gaps in flood protection, as well as successful approaches to FRM that are already in place, and in doing so, shape the way forward for public and private actors to strengthen society's resilience to this urgent and growing risk.

The research has also enabled active collaboration, positive dialogue and engagement across the insurance industry, governments, organisations and experts in FRM within and across the countries studied.

EVENTS



Top row: **Maryam Golnaraghi** (Moderator), Director Climate Change & Emerging Environmental Topics, The Geneva Association; **Carolyn Kousky**, University of Pennsylvania. Bottom row: **Swenja Surminski**, London School of Economics.

RISK CONVERSATIONS WEBINAR *Building Flood Resilience in a Changing Climate*

The webinar convened leading international experts on flood risk for a discussion of The Geneva Association's major series of studies, *Building Flood Resilience in a Changing Climate*. Discussions dissected the state of flood risk management in the focus countries – effective public- and private-sector mechanisms as well as gaps in planning and methodology – and put forward suggestions on how governments, insurers, businesses and homeowners can contribute to the 'all-of-society' approach. (July 2020) [▶ WATCH VIDEO](#)



Participants in the Flood Risk Management in Germany Roundtable.

FLOOD RISK MANAGEMENT IN GERMANY ROUNDTABLE

This multi-stakeholder roundtable explored how a move towards a risk-based, anticipatory, holistic and all-of-society approach to FRM can be achieved practically in Germany. Participants included representatives and experts from government and public agencies, the insurance industry and other organisations and academic institutions in Germany. (October 2020)

OUTREACH

The Economist's Climate Risk Week (October, virtual): Maryam Golnaraghi participated in the panel 'Climate and Insurance: Pooling, Pricing And Reducing Risk' where she discussed the role of insurers in transitioning to a low-carbon economy and hurdles to multi-stakeholder initiatives.

InsuranceERM's MOST INFLUENTIAL ON CLIMATE CHANGE

Maryam was included on InsuranceERM's first 'Most Influential on Climate Change' list, which comprises people who are 'setting the benchmarks for climate action and are helping shape future climate regulations'. (June 2020)

LEADERS MAGAZINE TOP 100 GLOBAL INFLUENCERS ON RESILIENCE

Maryam was selected as one of the top 100 global influencers on resilience, including global leaders in business, finance, economics, art, government and science. (October 2020)

Framework for assessing flood risk management systems



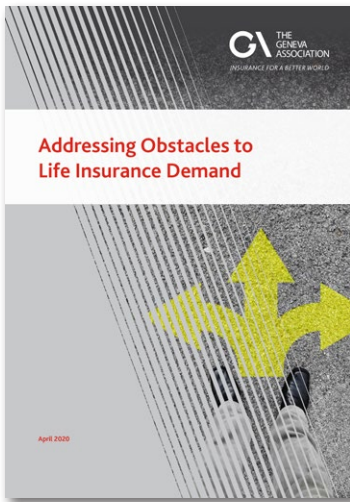
Source: The Geneva Association

HEALTH & AGEING

Healthcare and well-being needs are growing both in size and complexity. Ageing populations and the resultant need for long-term health and social care now sit alongside communicable and non-communicable diseases as pressing challenges. Yet, most health and social safety systems have remained siloed and fragmented.

Additionally, COVID-19 is affecting people's well-being on multiple levels: their physical health, due to infection and lasting symptoms; their mental health as a result of isolation; and their financial well-being due to job insecurities. COVID-19 is unlikely to be the last pandemic but it has honed in on these pre-existing fault lines that require insurers, governments and societies to reorient their approach to healthcare and pensions. In particular, health and life insurers will need to think about how they evolve their products and operating models to keep people healthy going forward, e.g. through investing in primary care, prevention and critical care, and driving the convergence of health and life solutions through better well-being and financial planning to meet needs in old age. In 2020, The Geneva Association's research focused on aspects of such health and ageing challenges and the potential of new technologies to address them.

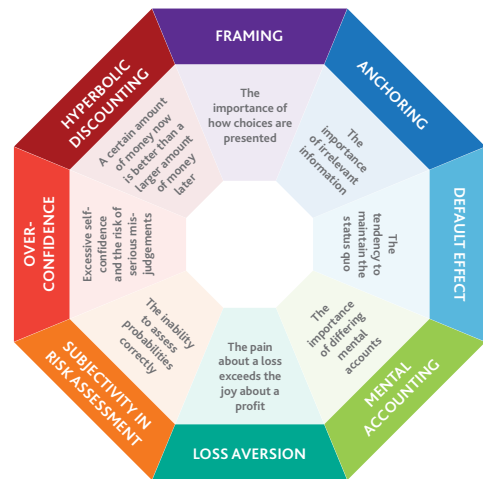




RESEARCH REPORT
Addressing Obstacles to Life Insurance Demand

The relevance of life insurance in many mature markets has experienced an unambiguous decline in recent decades. It is a worrying trend for society at large, given its historical contributions to funding for retirement and mitigating biometric risks. Populations in many of these economies are also ageing rapidly.

The octagon of behavioral insurance



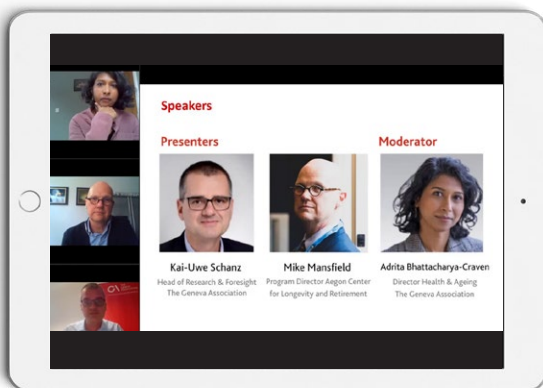
Source: The Geneva Association

This report takes a close look at individual factors behind customer decisions to purchase, postpone or forgo life insurance, drawing from a Geneva Association survey of 7,000 customers in seven mature insurance markets (U.S., U.K., France, Germany, Italy, Switzerland and Japan), and sheds light on the drivers behind declining levels of life insurance penetration, such as ultra-loose monetary policies, behavioural patterns and perceived product shortcomings. Based on the findings, the report puts forward recommendations for insurers to promote the role of life insurance, and in doing so, to help improve individual, family and societal preparedness for ageing, new disease patterns and mortality threats:

- Accelerate ongoing efforts to rethink existing products and develop new, more customer-friendly offerings.
- Reduce price sensitivity through value enhancements, such as accelerated underwriting on the back of advanced analytics that would bring down frictional costs for purchasing life insurance. Also, improved customer segmentation, marketing and transparency enabled by new technologies and data could address customers' tendency to overestimate the cost of life insurance.
- Increase cost competitiveness. Adding value to product offerings should, therefore, be accompanied by measures that address customer concerns about price and affordability.
- Address low levels of insurance awareness and education. Insurers and their associations could team up with public authorities, agencies and consumer associations and also advocate the integration of basic insurance and protection knowledge in schools.

RISK CONVERSATIONS WEBINAR

The Life Insurance Puzzle: Protection against mortality and longevity risks in uncertain times



In the first event in the Risk Conversations series, the presenters discussed the obstacles to people making better decisions when it comes to buying life insurance and planning for retirement and how insurers can help protect people and their families over the long term. [WATCH VIDEO](#)

Adrita Bhattacharya-Craven (Moderator), Director Health & Ageing, The Geneva Association; **Mike Mansfield**, Aegon; **Kai-Uwe Schanz**, The Geneva Association.



RESEARCH REPORT
Digital Health: Is the euphoria justified?

Digital health, with the prospects that it can increase the accessibility and affordability of healthcare, is attractive for individuals, health providers and insurers alike. The research for this report was carried out during a period of sharp and significant growth in the digital health market owing to the pandemic. Projected increases on the supply and demand sides actually continued to rise throughout the research process.

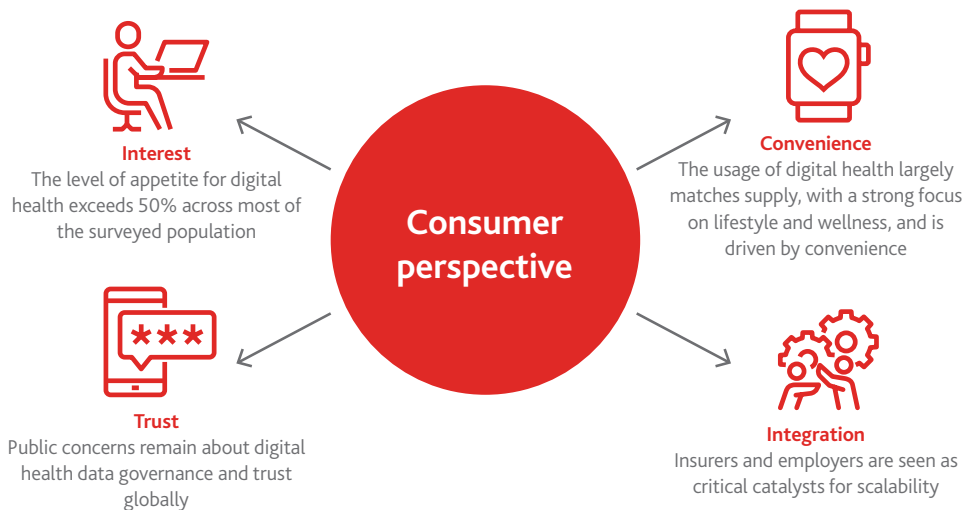
Our research has found, however, that popularity and promise do not guarantee clear, positive, health or financial outcomes. The report poses three fundamental questions:

- 1) Does the insurance industry address the informational asymmetry in the digital health market whereby consumers/policyholders receive clear quality signals about the efficacy of products?
- 2) Do insurers have a holistic strategy to embrace digital health?
- 3) Does the industry have the capacity to roll out digital health?, and the conclusions are rather sobering.

A fragmented market and lack of evidence in high-risk and high-cost interventions in particular make it hard for consumers to get the quality signals they need to choose effective products and for payers to steer away from ineffective solutions. The findings also indicate that the majority of insurers are yet to adopt a holistic approach towards digital health. It may therefore be fair to infer that digital health still has some way to go in terms of delivering quantifiable benefits on a larger scale by going beyond the young and the healthy. During this period of incredible evolution of the digital health market, healthcare providers as well as payers, like insurers, must prioritise strategies that harness digital health for the benefit of society. We propose six areas where insurers, at both the company and industry level, can shape the digital health market to optimise its societal benefits alongside realising new business opportunities:

- Articulate a holistic digital health strategy that goes beyond product marketing and distribution
- Marshal the evidence prior to purchasing digital solutions
- Align payment incentives for digital health providers
- Prioritise consumer trust through voluntary charters
- Recognise organisational context and improve capacity
- Create a digital health market place

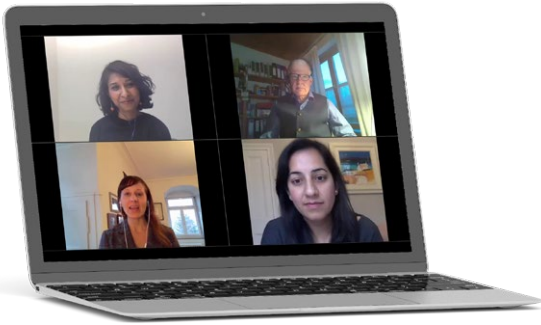
Consumer perspective: The most prominent themes



Source: The Geneva Association

RISK CONVERSATIONS WEBINAR

Digital Health: Is the euphoria justified?



On the eve of Universal Health Coverage day, the presenters in this webinar discussed the findings of The Geneva Association's report, *Digital Health: Is the euphoria justified?*, with complementary remarks from practitioner and academic perspectives, focusing on the extent to which digital health is delivering on its promises, how digital health is being used across the insurance value chain and how can insurers add value in implementing digital health solutions at scale. [▶ WATCH VIDEO](#)

Top row: **Adrita Bhattacharya-Craven**, The Geneva Association; **Achim Regenauer**, PartnerRe. Bottom row: **Pamela Corn** (Moderator), The Geneva Association; **Saira Chafur**, Imperial College London.

EVENT

Health & Ageing Conference 2020

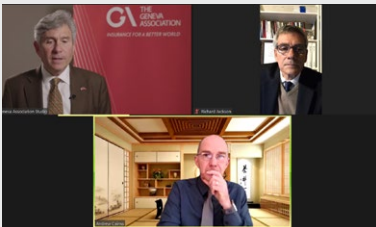
Living Longer, Healthier and with Greater Financial Security

The life and health insurance industry has so far proved resilient to the COVID-19 pandemic. The tough lessons from the 2008 financial crisis prepared the industry to manage well both their liabilities and investments. But COVID-19 has also introduced many new challenges for insurers to grapple with. The Geneva Association's recently expanded focus, from 'ageing' to 'health and ageing', has positioned it to tackle these issues with its research and dialogue initiatives.

This year's Health & Ageing Conference, co-organised with Prudential Financial, was held over two days (26–27 October) and was opened up to the public for the first time.

In her **keynote address**, Yanela Frias, President of Prudential Retirement, highlighted the numerous uncertainties and hardships facing people in the U.S. and the world, stemming from the pandemic's financial impacts, social and racial inequities and other factors affecting overall well-being.

Top row: **Ronnie Klein**, The Geneva Association (Moderator); **Richard Jackson**, The Global Aging Institute. Bottom row: **Andrew Cairns**, Heriot-Watt University.



Session 1: Understanding longevity today and the impact of COVID-19 on the elderly population examined how COVID-19 may affect future mortality rates, particularly at higher ages, and challenges in estimating life expectancy, such as of those participating in pension schemes and insured annuity blocks.

[▶ WATCH VIDEO](#)

Top row: **Ronnie Klein**, The Geneva Association (Moderator); **Steve Vernon**, Stanford Center on Longevity. Bottom row: **Dustin Yoder**, Sureify.



Session 2: Connecting our physical, mental and financial well-being focused the impact on mental and physical health for those without financial and retirement security and how technology solutions can improve outcomes.

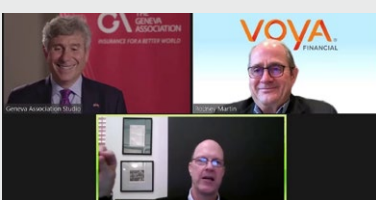
[▶ WATCH VIDEO](#)

Top row: **Adrita Bhattacharya-Craven**, The Geneva Association (Moderator); **Gaudenz Silberschmidt**, World Health Organization. Bottom row: **Aly Shalaby**, AXA OneHealth.



Session 3: Healthy ageing: from reactive to proactive care looked at how international organisations can team with the insurance industry to strengthen focus on disease prevention and promote healthy ageing. The session also showcased budding examples of initiatives of commercial insurers who have begun to recalibrate their focus from curative or critical care to more proactive care.

[▶ WATCH VIDEO](#)



Top row: **Ronnie Klein**, The Geneva Association (Moderator); **Rodney Martin**, Voya Financial. Bottom row: **Charles Lowrey**, Prudential Financial.

The conference concluded with the **View from Above** session, in which Charles F. Lowrey, CEO, Prudential Financial, and Rodney Martin, CEO, Voya Financial shared their views on some of the challenges brought about by the COVID-19 pandemic and the potential permanent shifts that we may see as a result: the impact of low interest rates; industry commitment to diversity and inclusion initiatives; the shift to remote or hybrid working; the environmental responsibility of insurers; declining demand for life insurance; and the importance of financial education and saving for the future.

SOCIO-ECONOMIC RESILIENCE

Major trends are changing the face of our societies: growing income and wealth inequality, expansion of the gig economy and massive urbanisation. The COVID-19 pandemic is adding to the challenge as it is likely to have long-lasting economic and social impacts on a global scale. Our research explores the most relevant socio-economic trends and their impact on risk to help pinpoint solutions for more resilient societies.

400

million workers around the globe could face job displacement by 2030.

Source: McKinsey



RESEARCH REPORT

The Role of Insurance in Mitigating Social Inequality

Social inequality was a pressing and growing ailment long before COVID-19 hit populations and economies the world over. The disease's expected long-term impacts are a call to invigorate and recalibrate discussions to address the topic. This report expounds specific insurance approaches and products that can both protect middle-class populations and better serve vulnerable segments of society as a means of reducing social inequality.

A major and more recent risk facing an increasing number of households is job displacement. In principle, it could be tackled through (primarily) public-sector solutions, such as wage insurance, which would offer a temporary earnings supplement for workers facing a reduction in wages after re-employment. However, even though wage insurance has made it to the mainstream political

debate (in the U.S., for example) its practical relevance remains limited. On the other hand, there are – still largely untested – private-sector concepts and ideas, such as livelihood insurance, aimed at covering long-term economic risks to individuals' paychecks for every major career and job category. In order to prevent the risk of moral hazard, livelihood insurance policies would have to be designed to insure individuals against an index of aggregate risks, such as income erosion in one's occupation.

RISK CONVERSATIONS WEBINAR

Joining Forces to Increase Societal Resilience



Presenters in this webinar, held 22 September 2020, expounded two key takeaways of the report:

- 1) Specific types of insurance cover, existing and emerging, mitigate the risks of impoverishment and/or contribute to more stable levels of wealth and income.
- 2) New public-private partnerships should leverage insurance as a critical part of the social safety net.

 [WATCH VIDEO](#)

Top row: **Kai-Uwe Schanz**, Director Socio-economic Resilience, The Geneva Association; **Pamela Corn** (Moderator), The Geneva Association. Bottom row: **Veronica Scotti**, Swiss Re; **Olivier Mahul**, The World Bank.

Opportunities and challenges presented by wage insurance



Source: The Geneva Association, based on Almeida 2017

Especially in light of the fiscal dislocation brought about by COVID-19, private insurance solutions can potentially play a bigger role in complementing public-sector schemes going forward. The report offers a number of recommendations for insurers and regulators/policymakers.

NEW TECHNOLOGIES & DATA

Technology is fundamentally transforming business models across all industries. The Geneva Association is taking a close look at the most impactful technologies, focusing mainly on transformational aspects and how they can best be utilised for customers and society in terms of business models, value sharing and ethics.





“ New technologies are changing daily lives and businesses at an accelerated speed. Insurers must be ready to explore these opportunities for the benefit of all.”

Isabelle Flückiger

Director New Technologies & Data



RESEARCH REPORT

Promoting Responsible Artificial Intelligence in Insurance

The use of artificial intelligence (AI) in insurance can bring economic and societal benefits by lowering insurance costs and helping insure more people.

For this report, authored by Benno Keller in his capacity as a Geneva Association Special Adviser on digital and innovation, The Geneva Association analysed a selection of the many ethics guidelines issued by governmental and non-governmental organisations and private companies. Of the five core principles for the responsible use of AI identified, the report takes a close look at two – 1) transparency and explainability and 2) fairness – that are particularly complex for insurers to interpret and implement. It also explores how to address the key trade-offs that arise in applying these principles.

In order to promote the responsible use of AI within their organisations, insurers should consider 1) establishing internal guidelines and policies for the use of AI; 2) developing and adopting relevant guidelines and policies that include principles for dealing with issues of transparency and explainability and of fairness; and 3) rolling out internal, comprehensive training programmes on the benefits and risks of AI and their respective internal guidelines and policies. With this analysis and set of recommendations for insurers, the report aims to contribute to the responsible use of AI in insurance and the realisation of its benefits for society.

OUTREACH

Workshop on Market Generation and Applications (May, virtual): Isabelle Flückiger was a panellist in the workshop Market Generator Models: Applications and Regulatory Aspects, organised by the University of Oxford, King's College, Queen Mary University, the University of Edinburgh and The Alan Turing Institute. The discussion focused on how financial data constrained by customer privacy regulations can be provided to academic researchers and how can regulators support this exchange for the benefit of financial institutions, customers and regulators alike.

SAS Insurance Circle 2020 (November, virtual): Isabelle also took part in the panel 'Digitalisation of the insurance industry: accelerated change through Corona' at the SAS Insurance Circle, discussing how insurance companies can adapt business models and processes to the new reality, the role of digital ecosystems and the skills and attitudes insurance employees need in order to actively help shape digital change.

CYBER

The cyber work stream explores the conditions for and impediments to a sustainable cyber re/insurance market, generates insight into the challenges of treating cyber as an insurable peril and promotes the contribution of insurance to mitigating this risk.





RESEARCH REPORT

Cyber War and Terrorism: Towards a common language to promote insurability

Litigation and reputational damage are potential consequences of ambiguity. Ambiguity has been exposed in policy wordings and, more fundamentally, in policyholders' understanding of the practical limits of what commercial insurance can offer against systemic, correlated losses.

This research report, a collaboration between The Geneva Association and IFTRIP, contributes to the debate on definitions of cyber war and cyber terrorism by proposing a new term, hostile cyber activity (HCA). Not intended to be binding or definitive, the term reduces the ambiguity surrounding an increasingly prevalent type of activity that falls somewhere between cyber terrorism and cyber war. Greater clarity should also improve the consistency and transparency with which the associated spectrum of risks are underwritten. The report also lays the groundwork for two forthcoming papers on cyber terrorism and cyber warfare in 2021. A common language with which to discuss and more accurately insure cyber activity will help to better define the limits of what can be privately re/insured. The two papers will examine attribution (determining

responsibility for an attack, i.e. the identity of the actor perpetrating the attack and consequential accountability), international coordination, collaborative solutions that take into account the impact and quantification of such events and shed light on potential public-private solutions designed to facilitate the development of a robust and sustainable commercial re/insurance market for cyber risk.

Current spectrum of cyber activity



Source: Wells 2020



CYBER WORKSHOPS

The Geneva Association coordinated two workshop and scenario analysis events for GA CTCW Task Force Members and other GA cyber stakeholders.

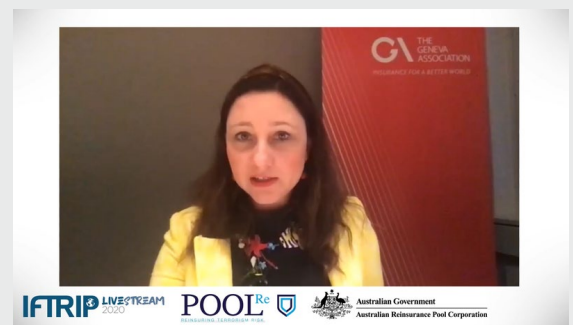
- **Workshop 1** (January, Munich): Analysing the impact and quantification of cyber terrorism and cyber warfare (with scenario analysis). Hosted by Munich Re.
- **Workshop 2** (February, London): Exploration of (1) The threat landscape for cyber terrorism and cyber warfare and (2) Developing a roadmap to develop a future, globally-consistent approach to determining the responsible actor for a cyber event and the consequent accountability for losses. Hosted by the Lloyd's Market Association.

OUTREACH

The Geneva Association's Director Cyber, Rachel Anne Carter, participated in external conferences throughout the year:

IFTRIP Livestream (October, virtual): participated in the panel 'Hostile Cyber: The boundaries of insurability', discussing the term 'Hostile Cyber Activity' from the GA report on cyber common language and the benefits of terminological clarity in cyber insurance. Contributed to the panel discussion on the insurability of cyber terrorism and cyber war.

Plug and Play Insurtech (November, virtual): keynote speaker at the Cyber Security and Digital Risks event.



Rachel Anne Carter, Director Cyber, The Geneva Association, participating in IFTRIP Livestream.

EVOLVING LIABILITY

As the world becomes more complex and throws up new global challenges, so both novel and well-known liability concerns surface, ranging from insuring new industrial and digital technologies to the impact of social inflation. What will be the implications for liability lines of business? The Geneva Association is taking a critical look at liability trends and the boundaries of insurability in the liability space.

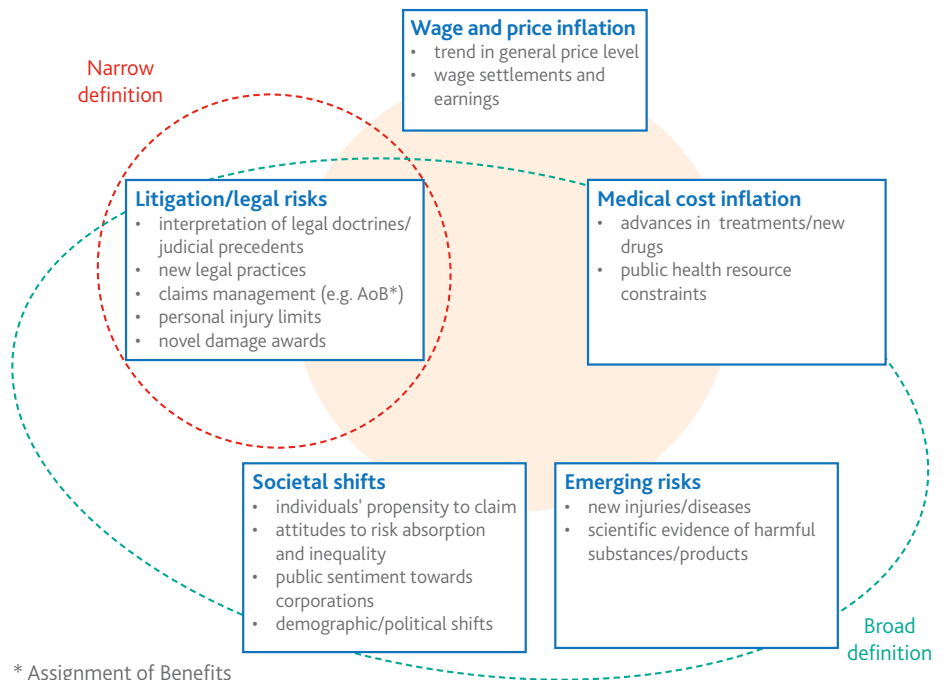


RESEARCH REPORT

Social Inflation: Navigating the evolving claims environment

In recent years, the number of liability claims pursued through the courts has been increasing along with the amount of compensation awarded to plaintiffs. This is most acute in the U.S. but starting to spread to other jurisdictions as well. COVID-19 only adds to the uncertainty about the future claims and litigation environment.

A stylised typology of social inflation



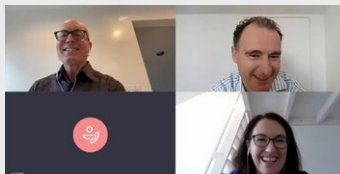
Source: The Geneva Association

EVENT

Evolving Liability Conference 2020

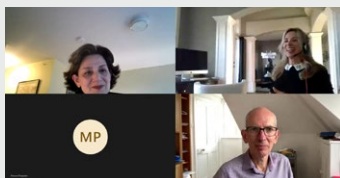
Liability Trends in a Transitioning World

The COVID-19 pandemic is likely to accelerate the green and digital transformations of the economy and society, altering the risk landscape for insurers. The Geneva Association's 2020 Evolving Liability Conference was held virtually on 6 October 2020 and co-organised with Swiss Re. The conference brought together legal and re/insurance experts to discuss three topics that are representative of such transformations.



Top row: **Damon Vocke**, Duane Morris LLP; **Darren Pain**, Director Evolving Liability, The Geneva Association. Bottom row: **Ciara Brady**, Allianz Global Corporate & Specialty.

Session 1: The dynamics of social inflation in light of the pandemic investigated the factors behind recent social inflation and its potential to spread beyond the U.S., with COVID-19 as a potential catalyst.



Top row: **Maryam Golnaraghi**, The Geneva Association; **Jane Mandigo**, Swiss Re. Bottom row: **Nigel Brook**, Clyde & Co.

Session 2: Climate litigation risk focused on the evolution of the climate litigation landscape and the potential implications for insurers (life and non-life).



Top row: **Florian Laeubli**, AXA XL; **Fabienne Zwagenmakers**, Insurance Europe. Bottom row: **Angela Gleason**, American Property Casualty Insurance Association (APCIA).

Session 3: Artificial intelligence and liability regimes addressed potential regulatory frameworks for efficiently assessing liabilities related to the use of artificial intelligence.

This report examines the changes in the litigation landscape that are driving social inflation – the tendency for insurers' claims costs to persistently outpace economic inflation. It identifies three key drivers: third-party litigation funding and collective redress mechanisms; aggressive strategies of plaintiffs' attorneys; and shifts in juror attitudes towards defendants on the back of social inequality. Many of these themes pre-date COVID-19, but the pandemic could ultimately make the liability claims landscape even more challenging for insurers.

Alongside engaging with public policy debates to promote tort reform, encourage increased transparency over litigation processes and curb excessive legal costs, insurers should prioritise three areas to mitigate the impact of social inflation:

- Enhanced defence case management to offer a more effective counter to the plaintiffs' bar
- Investment in forward-looking liability exposure management to pre-empt new emerging perils and assess the potential liability costs of shifts in future social inflation
- Product innovation to ensure liability insurance remains fit for purpose, including promoting more radical solutions such as risk participation arrangements, parametric solutions and, possibly in time, transfer of certain liability risks to capital markets.

RISK CONVERSATIONS WEBINAR

Social Inflation: Navigating the evolving claims environment



Top row: **Andrew Guarnori**, Swiss Re; **Pamela Corn** (Moderator), The Geneva Association; **Darren Pain**, The Geneva Association. Bottom row: **Frank Schmid**, Gen Re; **Carolina Ochoa Pinzón**, Swiss Re.

The panel presented the findings of our research report, *Social Inflation: Navigating the evolving claims environment*, and explored how social inflation manifests for insurers, how the current episode of social inflation differs from previous ones, the main recent underlying drivers of social inflation, the expected effects of COVID-19 on these drivers and future liability claims, and the ways in which insurers are responding to the latest episode of social inflation, particularly in their underwriting approaches. [▶ WATCH VIDEO](#)

PUBLIC POLICY & REGULATION

Insurance is a heavily regulated industry. Affecting all lines of business, insurance regulations aim to protect policyholders and secure financial stability. The Geneva Association studies and advises on where regulations can enhance insurance market development, including in emerging markets, thereby promoting the ability of insurers to act for a better world.





“During COVID-19, conducive regulatory frameworks helped insurers quickly adapt the way they work and interact with clients. As the risk landscape and regulatory environment continue to change, dialogue between insurers and regulators will be very important.”

Dennis Noordhoek

Director Public Policy & Regulation

PROGRAMME ON REGULATION AND SUPERVISION (PROGRES) SEMINAR

The Geneva Association’s PROGRES Seminar is an annual platform that convenes insurers, policymakers, regulators and supervisors on key policy and regulatory topics.

Discussions at the 2020 PROGRES Seminar, held 27–28 February 2020, underlined that the different priorities of customers, insurers and regulators are not necessarily mutually exclusive ones: financial stability and economic growth; consumer fairness and innovation; sustainability and profitability. By bringing together a range of perspectives, the PROGRES Seminar looks for common ground on what actions can ultimately improve peoples’ lives and ensure a thriving insurance sector at the same time.



From left: **Bill Marcoux** (Moderator), Insurance Development Forum; **Gabriel Bernardino**, Chairman, EIOPA; **Charles Brindamour**, CEO, Intact Financial, and Chairman, The Geneva Association; **Vicky Saporta**, Chairperson, International Association of Insurance Supervisors (IAIS); **Butch Bacani**, UN Environment Programme Finance Initiative (UNEP-FI).



From left: **Hannah Wise** (Moderator), CNN Money Switzerland; **Jonathan Dixon**, Secretary General, IAIS; **Jad Ariss**, The Geneva Association.

In the **first session** on UN sustainable development goals (SDGs), a panel of distinguished participants, including the Chairman of The Geneva Association, explored the role and commitment of the insurance industry in making the SDGs a success and the world a better place to live.

A **fireside chat** with Jad Ariss, Managing Director of The Geneva Association, and Jonathan Dixon, Secretary General of the International Association of Insurance Supervisors (IAIS), revealed opportunities for collaboration between the insurance industry and the IAIS when dealing with a number of issues. Supervisory approaches need to strike an appropriate balance between financial stability, insurance market development and customer protection, and be proportionate so that insurers can provide customers with the products they need.



From left: **Frank Grund** (Moderator), BaFin; **Birny Birnbaum**, Center for Economic Justice; **Lorena Jaume-Palasi**, The Ethical Tech Society; **Vincent Loy**, MAS Singapore; **Lutz Wilhelmy**, Swiss Re.

The **second session** on ethical issues related to the use of artificial intelligence and big data analytics in insurance explored the consequences of digitalisation and the use of artificial intelligence (AI) on the way insurers do their job, and examined a number of ethical issues and concerns that need to be addressed.



From left: **Dave Jones** (Moderator), The Nature Conservancy and former California Insurance Commissioner; **Maryam Golnaraghi**, The Geneva Association; **Mike Kreidler**, Office of the Insurance Commissioner, Washington State; **Jennifer Waldner Grant**, Chief Sustainability Officer, AIG; **Martin Weymann**, Head Sustainability, Swiss Re.

The third session focused on climate-related financial disclosures. The panel addressed the adoption of the FSB Task Force on Climate-related Financial Disclosures (TCFD) recommendations among insurers, the respective challenges insurers face and whether TCFD disclosures should be mandated. The panel was divided as to whether TCFD uptake should be mandatory. Since completing the TCFD disclosures is a significant effort, a phased approach would accommodate companies that are still learning to adopt the framework.



Bimal Patel, Assistant Secretary, U.S. Department of Treasury.

In his keynote speech, Bimal Patel, Assistant Secretary, U.S. Department of Treasury, emphasised the importance of insurance trade agreements ('covered agreements'), in particular the recent U.S.-EU covered agreement. He pointed to the Financial Stability Oversight Council's work related to the activities-based approach to systemic risk (as opposed to the entities-based approach) and to new and emerging risks, and the way the U.S. Treasury addresses them. Of these emerging risks, cyber is a crucial one, not least because of the threat to critical infrastructure. Long-term care is another priority for the Treasury, and a new task force will focus on federal policies that complement those at the state level.



From left: **Rachel Anne Carter** (Moderator), Director Cyber, The Geneva Association; **Yuval Porat**, Founder and CEO, Kazuar; **Chuck Jainchill**, Cyber Product Development leader, AIG; **Paddy McGuinness**, Brunswick Group and former UK Deputy National Security Adviser.

The first breakout session on the evolving cyber frontier discussed cyber terror and cyber warfare from a technical, policy and insurance angle, the changing nature of cyberattacks and what this means for insurance. The second breakout session on geopolitics explored evolving international trade relations and how they affect insurance. The panelists discussed the need for clear rules on trade in insurance. The WTO is the only place where all relevant parties sit together. Not expanding free trade in services, including insurance, will bring significant costs to the global economy.



From left: **Kai-Uwe Schanz** (Moderator), The Geneva Association; **Karel van Hulle**, KU Leuven and Goethe University Frankfurt; **David O'Sullivan**, Former Ambassador of the European Union to the U.S. and Senior Counsel Steptoe & Johnson.



From left: **Martin Hansen** (Moderator), AIG; **Elise Liebers**, IAIS; **Norio Hida**, Financial Services Agency of Japan; **Panos Charissiadis**, Munich Re; **Joe Engelhard**, MetLife.

Panelists in the final session focused on prudential regulatory matters, and addressed some of the open questions surrounding the major standards developed as part of the post-financial crisis policy agenda, including the Insurance Capital Standard version 2.0 (ICS 2.0). Panel participants from the supervisory community pointed to the ICS as one of several 'tools in the supervisory toolbox' and a new lens through which the capital of an insurance group can be assessed, but not a replacement for solo, legal entity-based approaches. Industry participants pointed to the importance of the ability to use internal models under the ICS. It was confirmed that internal models are considered to be a viable option.



25%

of policy & regulatory measures related to green & sustainable finance relate to disclosure, including voluntary guidelines, frameworks & requirements related to ESG factors, sustainability issues and climate-related risks.

Source: United Nations Environment Programme

OUTREACH AND PUBLIC CONSULTATIONS

Engagement with the regulatory and policymaking community was an important activity of the Public Policy & Regulation work stream in 2020, particularly in light of the COVID-19 pandemic. This included participating in stakeholder events, such as meetings of the OECD Insurance and Private Pensions Committee, the IAIS Global Seminar, and IAIS Annual Conference; convening the annual Geneva Association-IAIS joint Secretariat meeting on 2 September 2020; and responding to public consultations. Two of those responses are described below.

Public consultation on the impact of COVID-19

In the summer of 2020, the IAIS launched a public consultation on the implications of COVID-19 on the insurance sector, including questions on the impact on financial systems and insurers, as well as on key risks and opportunities posed by the pandemic. The Geneva Association highlighted that the insurance sector has remained strong and stable during the crisis. Considering the limits placed on in-person meetings and exchanges due to the pandemic, we asked the IAIS to reconsider the timelines it has set for the ICS, including extending the monitoring period. We also pointed to the fact that the COVID-19 pandemic offers an opportunity to accelerate digitalisation in the insurance industry and to adapt regulatory frameworks, where needed, to facilitate this.

Public consultation on a draft application paper on the supervision of climate-related risks in insurance

In October 2020, the IAIS launched a draft application paper on the supervision of climate-related risks in insurance, with the aim to support supervisors in their efforts to integrate climate-related risks into supervisory frameworks. The Geneva Association commended the IAIS for producing this timely paper and expressed its support for the suggestion of assessing the impacts arising from climate-related risks within the own risk and solvency assessment (ORSA), but also warned against a potentially too heavy focus on quantitative analyses for long-term exposures and indicated that stress tests may not be appropriate for all climate-related risks.

Geneva Association

WOMEN IN INSURANCE AWARD

ABOUT THE AWARD

In 2019 The Geneva Association launched an exciting new initiative: the Geneva Association Women in Insurance Award.

The insurance industry has made great strides in recent years in attracting women employees. One study finds that women comprise 60% of the workforce in insurance. However, according to McKinsey & Company, women in financial services are 24% less likely than their male peers to be promoted, partly due to unconscious bias and negative stereotypes around women's leadership abilities. As a result, only 12% of top officer positions, such as CEO, CFO and COO, are occupied by women. The vast majority of executive-level positions in insurance are held by men.

Therefore, younger women working in insurance do not see as many women as men in leadership roles. They do not see pathways to promotion and leadership positions.

To address this, The Geneva Association's first-of-its-kind international award recognises a female insurance leader whose work has made a demonstrable contribution to societal good. The award will be given out each year at The Geneva Association's General Assembly, our annual gathering of insurance CEO members.

2020 WINNER

The 2020 award went to **Garance Wattez-Richard**, CEO of AXA Emerging Customers, for her work to tackle the insurance protection gap in emerging markets and protect underserved populations. Garance founded AXA's Emerging Customers business in 2016, and it now distributes insurance to 18 million customers across Asia, Africa and Latin America by engaging over 50 public- and private-sector partners in 10 countries. Among its successes, AXA protects 500,000 entrepreneurs in Egypt, 75% of whom are women, and partners with Airtel Payment Bank in India to protect 3 million customers. In selecting Garance to receive the award, we are pleased to recognise her dedication to improving access to insurance around the world.



Garance Wattez-Richard, Winner of the 2020 Women in Insurance Award



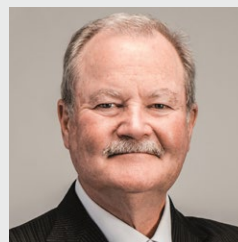
GENEVA ASSOCIATION WOMEN IN INSURANCE AWARD

ADVANCING INSURANCE FOR A BETTER WORLD

The distinguished selection committee for the 2020 award was comprised of Inga Beale, Chair, Mediclinic International and former CEO, Lloyd's of London; Brian Duperreault, CEO AIG; and Lucie Martel, Chief Human Resources Officer, Intact Financial.



Inga Beale
Diversity and inclusion advocate and former CEO, Lloyd's of London



Brian Duperreault
Executive Chair of the Board, AIG



Lucie Martel
Chief HR Officer Intact Financial Corporation

The 2021 award was launched at a special event in November 2020, Women Intrapreneurs in Insurance: Stories of a shifting paradigm, that brought together three women insurance leaders, including the 2020 winner, Garance-Wattez-Richard, for a candid conversation on the power of intrapreneurship to promote innovation and address gender imbalance in the insurance industry. [WATCH VIDEO](#)



Top row: Garance Wattez-Richard, AXA Emerging Customers; Jad Ariss (Moderator), Managing Director, The Geneva Association. Bottom row: Carla Smith, Intact Financial; Dame Inga Beale, Mediclinic International.



Climate and environment

Better integrating climate risk into underwriting methods or promoting climate-resilient investment approaches



Health

Improving health outcomes for people through new services (diagnostic, treatment) or forms of insurance cover



Innovation

Using new technologies or data to make insurance cover more meaningful for people or businesses



Inclusive insurance

Developing new pricing or distribution models that give low-income or remote populations access to insurance cover (e.g. microinsurance)

CEO FORUM

The Geneva Association CEO Forum, held on 15 September 2020, brought our member CEOs together in a virtual setting for the first time in The Geneva Association's history.



KEYNOTE SPEECH: GEOPOLITICS AFTER COVID-19

Dr Richard Haass, President of the Council on Foreign Relations

COVID-19 has accentuated and accelerated many prevalent geopolitical and international trends. These trends fall into two categories:

The return of geopolitics

With the significant return of great power rivalries, the challenge for countries will be whether they can avoid direct conflict and, if they cannot, whether they can preserve areas of geopolitical or economic cooperation. The deterioration of the relationship between the U.S. and China as a result of COVID-19 raises many questions, including:

- Are their foreign policies conducive to maintaining an economic relationship amid territory and trade disputes?
- What are the implications for insurers with business operations in both countries?

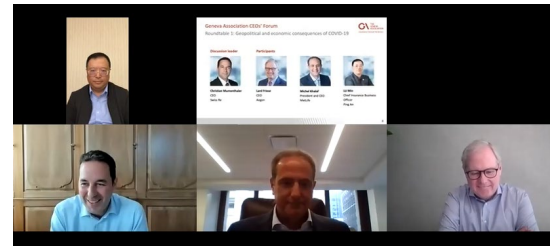
The centrality of global issues

- The coming decades will bring more global health challenges, potentially in the form of more infectious diseases. The current global health machinery is not equipped to face them.
- Climate change is accelerating, and it is happening now. A topdown, universal approach to climate is unattainable. Instead, like-minded industrial countries need to come together to set climate-related standards for trade.
- As the U.S. grapples with deep political, social and racial divisions and a recovering economy, it is likely to take an inward focus over the coming years. It is unclear what will happen if the U.S. is no longer willing to play its traditional, central role in efforts to address geopolitical and other global challenges.

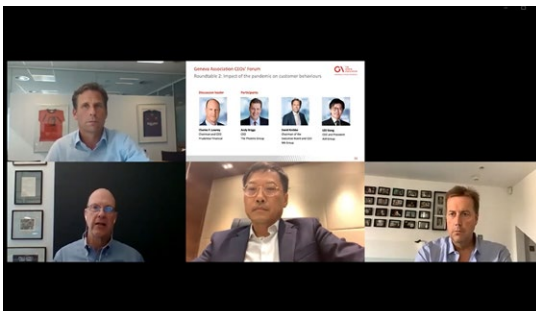
Central for the insurance industry, in its role assessing and pricing risk, is that all arrows point to increasing turbulence and risk.

Panel 1: Geopolitical and economic consequences of COVID-19

In China, COVID-19 has been a catalyst for digital change in the life insurance business. The pandemic is a watershed moment for the insurance industry in the U.S. and insurers must consider the structural changes needed to emerge in a strong position. Insurers should continue the de-risking of balance sheets and the transition to more capital-light products. More diversified companies have better absorbed the shocks of the pandemic, underscoring the importance of diversification and scale. In Europe, the insurance industry has played a positive role in helping clients and governments navigate the pandemic – largely by being able to keep operations intact and remaining financially resilient. However, the industry could go further by helping governments determine how to fund risk protocols in 'times of peace' and sharing their risk management expertise when it comes to the investment side of their balance sheets.



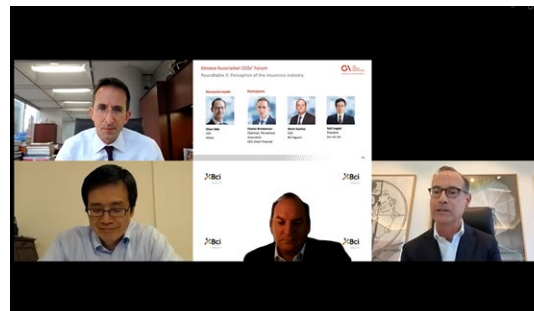
Top row: **LU Min**, Chief Insurance Business Officer, Ping An. *Bottom row:* **Christian Mumenthaler** (discussion leader), CEO, Swiss Re; **Michel Khalaf**, President and CEO, MetLife; **Lard Friese**, CEO, Aegon.



Top row: **David Knibbe**, Chairman of the Executive Board and CEO, NN Group. *Bottom row:* **Charles F. Lowrey** (discussion leader), Chairman and CEO, Prudential Financial; **LEE Siang**, CEO and President, AIA; **Andy Briggs**, CEO, Phoenix Group.

Panel 2: The impact of the pandemic on customer behaviours

Insurers are capable of promoting economic stability and growth at both the 'macro' level, as institutional investors, and at the 'micro' level, by offering personal financial solutions. This discussion focused on the 'micro' level. COVID-19 accelerated digital interactions between insurers and their customers, with insurance agents relying more than ever on the digital framework to create and maintain customer relationships.



Top row: **Charles Brindamour**, Chairman, The Geneva Association, and CEO, Intact Financial. *Bottom row:* **Seiji Inagaki**, President, Dai-ichi Life; **Mario Gazitúa**, CEO, BCI Seguros; **Oliver Bäte** (discussion leader), CEO, Allianz.

Panel 3: Perception of the insurance industry

In North America, the insurance industry is experiencing a supply-demand imbalance which translates into hardening rates. It is in 'correction mode' while economies recover. A lesson for insurers going forward is to further enhance transparency and ensure clear policy wording.

In Japan, insurers recognised the need to act swiftly, with life insurers moving ahead to include COVID-19 in the rider for accidental death benefits. Generally, insurers have not received much criticism surrounding COVID-19.

In Latin America, insurers find that social media creates uncertainty and pressure. There are also larger societal issues impacting customer sentiment, with lower- and middle-income segments of society pressuring the government to provide more support and security.

C-LEVEL NETWORKS

The Geneva Association's high-level meetings bring together top decision makers from global insurance companies and experts to discuss priority topics. Like our other conferences and events, all of these meetings took place virtually in 2020 for the first time.



Ben S. Bernanke, Former Chair, Federal Reserve and Distinguished Fellow in Residence, Brookings Institution

CHIEF INVESTMENT OFFICERS CONFERENCE

The CIO Conference is an annual meeting of insurance CIOs and senior asset managers from global insurance companies.

The COVID-19 pandemic has rewritten the rules for insurance portfolios. The 2020 CIO Conference, co-hosted by MetLife on 14–15 October 2020 and held in a digital setting, was therefore aptly titled, *Through a Mirror Darkly: Understanding the new normal*, reflecting both the prevailing uncertainty and need for clarity in our planning and decision-making.

Fireside chat with Ben S. Bernanke, Former Chair, Federal Reserve and Distinguished Fellow in Residence, Brookings Institution

Although the immediate impact of monetary policy has been positive through the pandemic, there are also limits. The Fed, for example, has not been as successful in driving lending to Main Street, namely businesses. Many central banks are either out of monetary ammunition after the last decade or finding it increasingly difficult to add meaningful stimulus in the short and long term. That makes fiscal policy more important than ever, and it is worth noting that both the Fed and ECB have been calling for more direct intervention from governments. The biggest bang for the buck is most likely health, which is critical to removing fear and allowing a sense of normality to return to society.



Top row: **Claudio Borio**, Head of Monetary and Economic Department, Bank of International Settlements; **Rick Rieder**, CIO, Global Fixed Income, Blackrock. *Bottom row:* **Howard Marks**, Co-Chairman and Co-Founder, Oaktree Capital; **Bob Swarup**, The Geneva Association.

Session 1: Till debt us do part

Debt has been a growing challenge for two decades now, and appears to be an even bigger challenge going forward. In the short term, there is a growing risk that we are merely transmuted from the liquidity to the solvency phase of the pandemic-induced economic crisis. It is important to ensure resources are allocated to viable businesses and sectors of the economy in the long term. Otherwise, governments risk either finding themselves in unsustainable fiscal positions, or in a debt trap. The arbiter today is policy – not just in terms of immediate action but also in terms of structural reform. For insurers, the crush for yield in a low rate environment is particularly worrying.



Top row: **Jérôme Haegeli**, Chief Economist, Swiss Re; **Michael Menhart** (Moderator), Chief Economist, Munich Re, and Chairman, GAEF; **Gilles Moëc**, Chief Economist, AXA. Bottom row: **Oleksiy Rachok**, Head of Strategy, Aegon; **Ludovic Subran**, Chief Economist, Allianz.

GENEVA ASSOCIATION ECONOMIC FORUM (GAEF)

The GAEF, established in 2020, is a novel platform that repositions our long-standing Annual Circle of Chief Economists (ACCE) to include chief strategy officers and senior market research and corporate planning professionals.

The roundtable discussion focused specifically on COVID-19 – the global economic and insurance outlook, over the short-, medium- and long-term. First, the Q1 and Q2 2020 full lockdown measures adopted to flatten the curve of infections were assessed from a fiscal, monetary and health policy point of view. The services sector and retail stores in particular suffered an unprecedented shock, whereas the healthcare and essential retail sectors experienced no deterioration whatsoever. For non-essential retail, restaurants and commercial aerospace a full recovery in terms of pre-pandemic levels of profitability is not expected before 2024.

The group also discussed the prospects of a surge in global insolvencies. So far, official registrations of bankruptcies have been relatively moderate, given lockdowns of business courts, temporary policy measures to support companies and temporary changes in insolvency regimes. The end of these temporary factors is expected to lead to a massive trend reversal.

A debate on the transatlantic divide in terms of policy stimulus was debated to conclude the macroeconomic part of the GAEF. One participant likened the U.S. approach to fiscal stimulus to 'carpet bombing', in contrast to more 'surgical strikes' in Europe.

The more insurance-focused discussion kicked off with a comparison between the economic cycle and the insurance cycle. Insurance premiums are expected to rebound much faster from the pandemic shock than the economy at large. Risk-bearing capital is relatively scarce whereas risk is abundant. Supply is also constrained by modelling uncertainty (COVID-19, social inflation and climate change). Demand, on the other hand, benefits from the wake-up call induced by the pandemic in terms of increasing risk awareness and, as a result, higher insurance take-up. Challenges the industry needs to be aware of include ultra-low or even negative interest rates (giving rise to balance sheet stress) as well as a spike in inflation coinciding with a weak economic recovery (stagflation).

Session 2: The crux of the core

With rates in much of the world bumping along zero (and sometimes below) in nominal terms and negative in real terms, there is an argument that much of the short duration sovereign and investment grade fixed income universe is essentially uninvestable. That has driven investors and insurers to seek income from other places. There has been a rise in interest in real estate, emerging markets, direct lending to corporates, trade finance and infrastructure. That trend is set to continue. Some may choose to adopt a barbell strategy, holding quality assets, even if expensive, and generating returns through satellite allocations to these new emerging areas. Others may choose to take more credit risk across the board. Some may even look to equity. Regardless of choice, the implications for insurance portfolios are profound.

Session 3: Real economy financing

The demand for yield is across all private assets these days, creating a bewildering choice for insurers. Their size and need to get up the familiarity curve also present challenges. Deployment can be painfully slow in the real world, particularly as opportunities can quickly become crowded or uneconomic given the smaller sizes of these new markets and the attendant capacity constraints as insurers look to deploy the large allocations needed to meaningfully move the needle. Insurers need to have a longer-term strategy in place. They will need to build the network of links to originate these new assets, learn how to deal with them when they go wrong, and navigate their organisational cultures to make sure there is buy-in for these changes and that they are aligned with the insurer's wider business strategy.

Chief Investment Officers Roundtable

This roundtable, held in May 2020, provided an online platform for The Geneva Association's Chief Investment Officer (CIO) Network to discuss the impact of COVID-19 on insurers' investment portfolios and the emerging priorities for CIOs in the current landscape.



Top row: **Steven Goulart**, Executive VP and CIO, MetLife; **Bob Swarup** (Moderator), The Geneva Association. Bottom row: **Carsten Quitter**, CIO, Allianz.

ACADEMIC JOURNAL & PRIZE

Through its academic initiatives, The Geneva Association promotes and diffuses research in insurance economics and reinforces its position as a forum for addressing risk and insurance issues.

THE GENEVA PAPERS ON RISK AND INSURANCE—ISSUES AND PRACTICE

The Geneva Association began publishing The Geneva Papers on Risk and Insurance in 1976. Since its inception by the Association's first president, Professor Raymond Barre, the journal has had two objectives: 1) to help elaborate and confront key strategic issues for the insurance sector; and 2) to stimulate a constructive dialogue between the insurance sector and its social and economic partners.



The following issues of The Geneva Papers were published in 2020:

Volume 45, Issue 1 (January 2020) Special Issue on Agricultural Risks and Insurance.

Edited by Holly Wang, Jesse Tack and Keith Coble, this special issue is devoted to the role of insurance in managing agricultural risks. In particular, it covers major grain crops, livestock, rangeland and forage, and forests, with cases from Asian, American and European countries. The methods used range from optimisation calibrated with published parameters, survey-based willingness-to-pay estimation and econometric analysis using field experiment data to actual market data.

Volume 45, Issue 2 (April 2020)

This issue includes articles on the performance of bank-affiliated P&C insurers in Italy, insurance guarantee fund for NatCat risks in Canada, insurer financial stability, the impact of SOX on insurer loss reserves, the insurance-growth nexus in Africa and the switching behaviour of insurance policy holders in Taiwan.

GENEVA ASSOCIATION ERNST MEYER PRIZE

The Geneva Association awards the prestigious Ernst Meyer Prize, worth CHF 5,000, annually for university research work in the form of a doctoral thesis which makes a significant and original contribution to the study of risk and insurance economics.

The 2020 Geneva Association Ernst Meyer Prize was awarded to Lu Li of Ludwig-Maximilians-Universität München for her thesis, Essays on Information, Risk Preferences, and Risk Management, and to Stefan Schelling of Ulm University for his thesis, Behavioral Aspects of Product Design and Demand in Retirement Savings.

Lu Li's thesis helps shed light on the interplay between technological uncertainty, causal mechanisms (e.g. effort versus luck) and mental health states, respectively, and prevention and insurance decisions. Stefan Schelling's work tackles a highly relevant topic for life insurers and their customers by proposing new models to better understand people's decisions related to gathering pension income in their working years and spending that income when they retire.



Lu Li, Ludwig-Maximilians-Universität München



Stefan Schelling, Ulm University

Volume 45, Issue 3 (July 2020) Special Issue on Legal and Economic Issues of InsurTech

Edited by Pierpaolo Morano, this special issue examines InsurTech through the legal and economic implications of the use of innovative technology in the re/insurance industry. It deals with the technological challenges faced by the insurance business, the new business models emerging as a result of these new technologies and the risks embedded in products and services by virtue of new technologies from which the insurance industry must offer safeguards.

Volume 45, Issue 4 (October 2020) Special Issue on Cyber Risks and Insurance

Edited by Martin Boyer, this special issue examines the potential demand for cyber risk insurance by assessing the potential loss for firms and organisations that fall victim to a cyber event. It also examines the supply side by presenting issues related to how contracts are written and interpreted by the courts, and how the writing and the interpretation of cyber contract clauses could have an impact on other insurance contracts. Lastly, it examines how cyber risk applies to two industries: health insurance and information technology. Read a summary of the issue. http://bit.ly/GP_CyberRisks



COMMUNICATING FOR IMPACT

Through its communications strategy, The Geneva Association aims to advance progress towards its strategic goals and reach key stakeholders. Our research activities, events, awards, media coverage and social media output in 2020 were important vehicles for highlighting insurance as a force for good, particularly in the context of COVID-19.

In light of accelerating our research agenda and new virtual event capabilities, we were able to demonstrably grow our online audience and reach in 2020 – achieving a 10% increase in user traffic to our website compared to 2019, and a 66% increase in LinkedIn followers between January and December.



WEBSITE

10%

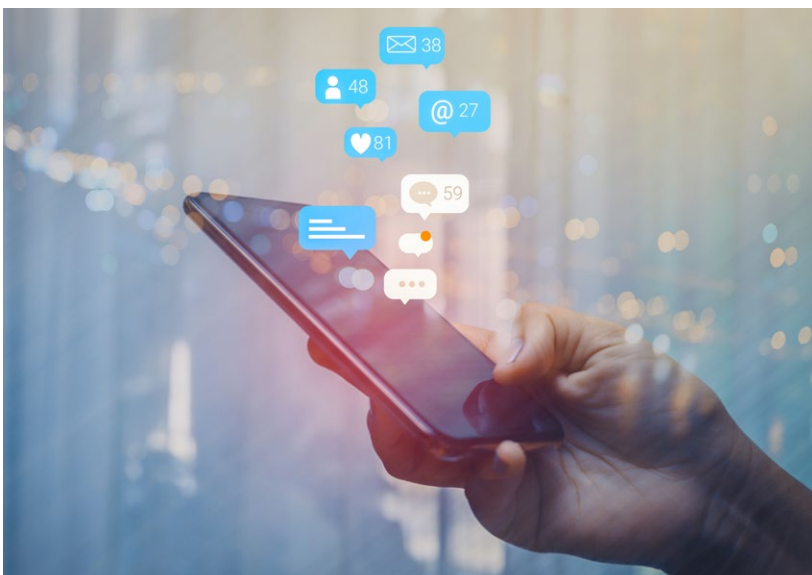
increase in website users to **48,533**



SOCIAL MEDIA

66%

increase in **LinkedIn** followers

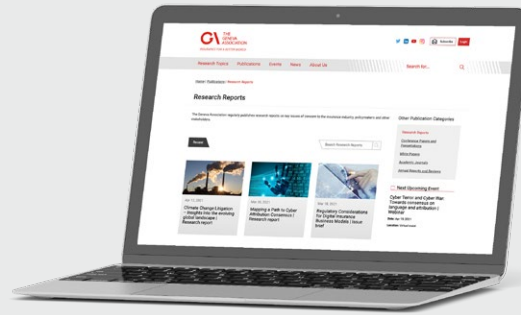




RESEARCH REPORTS

10%

increase in time spent on report web pages



10%

increase in unique views of report web pages to **29,148**

9%

increase in unique downloads of all reports



EVENTS

1,401

event participants in total

22%

increase in conference participants to **591**

810

participants in #RiskConversations webinars



ACADEMIC JOURNAL

24%

increase in paper downloads to **286,815**

11%

increase in submissions to **148**



APPENDIX:

2020 publications and events

PUBLICATIONS

Promoting Responsible Artificial Intelligence in Insurance
by Benno Keller (January)

Addressing Obstacles to Life Insurance Demand by
Kai-Uwe Schanz (May)

*Building Flood Resilience in a Changing Climate: Insights
from the United States, England and Germany* by
Maryam Golnaraghi, Swenja Surminski and Carolyn
Kousky (June)

Flood Risk Management in the United States by Carolyn
Kousky and Maryam Golnaraghi (June)

Flood Risk Management in England by Swenja Surminski,
Sara Mehryar and Maryam Golnaraghi (June)

Flood Risk Management in Germany by Swenja
Surminski, Viktor Roezer and Maryam Golnaraghi (June)

*Cyber War and Terrorism: Towards a common language
to promote insurability* by Rachel Anne Carter and Julian
Enoizi (July)

The Role of Insurance in Mitigating Social Inequality by
Kai-Uwe Schanz (August)

An Investigation into the Insurability of Pandemic Risk by
Kai-Uwe Schanz (October)

Flood Risk Management in Australia by Neil Dufty,
Andrew Dyer and Maryam Golnaraghi (December)

Flood Risk Management in Canada by Maryam
Golnaraghi, Jason Thistlethwaite, Daniel Henstra and
Craig Stewart (December)

Digital Health: Is the euphoria justified? by Adrita
Bhattacharya-Craven (December)

*Social Inflation: Navigating the evolving claims
environment* by Darren Pain (December)

TRANSLATIONS

Chinese

在保险行业推广运用负责任的人工智能
by Benno Keller

跨越人寿保险需求障碍 by Kai-Uwe Schanz

保险在减轻社会不平等方面的作用
by Kai-Uwe Schanz

数字化健康：欣喜情绪真的合理吗
by Adrita Bhattacharya-Craven

社会通胀：应对不断演变中的理赔环境
by Darren Pain

Japanese

保険における責任ある人工知能の推進
by Benno Keller

生命保険需要に対する障害への対応
by Kai-Uwe Schanz

社会的格差の縮小をするための保険の役割
by Kai-Uwe Schanz

デジタルヘルスケア：熱狂は正当化されるか？
by Adrita Bhattacharya-Craven

ソーシャルインフレーション：変化する保険金
請求環境の方向づけ by Darren Pain

THE GENEVA PAPERS

Special Issue on Agricultural Risks and Insurance

Special Issue on Legal and Economic Issues of InsurTech

Special Issue on Cyber Risks and Insurance

One regular issue (April)

EVENTS

C-Suite conferences

CIO Roundtables (14 & 20 May)

Geneva Association Economic Forum (GAEF) (8 July)

The Geneva Association CEOs' Forum (15 September)

Read the summary <http://bit.ly/CEOsForum20>

Chief Investment Officers Conference (14–15 October)

Read the summary <http://bit.ly/CIOConf20>

Thematic conferences and meetings

Programme on Regulation and Supervision (PROGRES) Seminar (27–28 February)

Read the summary http://bit.ly/PROGRES-Seminar_2020

Evolving Liability Conference (6 October)

Read the summary <http://bit.ly/LiabilityConf20>

Flood Risk Management in Germany Roundtable (21 October)

Health & Ageing Conference (26–27 October)

Read the summary <http://bit.ly/HealthAgeingConf20>

Risk Conversations webinars

The Life Insurance Puzzle (11 June)

Building Flood Resilience in a Changing Climate (7 July)

Joining Forces to Increase Societal Resilience
(22 September)

Pandemic Risk: Is it really uninsurable? (11 November)

Digital Health: Is the euphoria justified? (11 December)

Women in Insurance

Women Intrapreneurs in Insurance: Stories of a shifting paradigm (19 November)

The Geneva Association

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January–December 2020*