

Insurers well placed to help G-20 achieve its economic goals

Regulation must, however, be appropriate and market barriers removed

Brussels – As a major source of long-term investment, insurers can provide significant support to the G-20 in achieving its aim of 2% collective growth over the next five years. In order to do this policymakers must, however, ensure that the right regulatory and framework conditions are in place, according to a letter sent by the Global Federation of Insurance Associations (GFIA) to the G-20 Presidency.

The letter expresses support for the G-20's economic and infrastructure development goals and emphasises the supportive role that the global insurance industry can play in achieving these aims; for example, through the long-term investments insurers make.

Frank Swedlove, Chair of the GFIA, said: "Long-term sustainable growth needs long-term investment. The insurance industry, with \$28.6 trillion of assets under management in 2012 and annual new investments of \$4.6 trillion, is well placed to play a major role. However to do so, we must not be constrained by unnecessary regulatory or other framework conditions."

The letter also highlights the need for appropriate and balanced regulation, especially given the significant increase in global regulatory scrutiny that insurers now face. The GFIA supports a recent B-20 call for the establishment of a protocol for international rule-making processes, which would better engage the private sector to ensure rules are fit for purpose and fully take account of their impact on the real economy.

The need for market barriers to be removed is another issue tackled in the letter. The GFIA is particularly disappointed that certain jurisdictions, including a small number of G-20 members, have introduced new restrictive measures in their markets.

The issues of particular concern are:

- limitations on the conduct of cross border reinsurance
- restrictions on cross border data flows
- reversal of private account pensions

Swedlove added: "The GFIA urges the G-20 to remain committed to open markets and should certainly oppose any new trade restrictive measures."

This letter follows up from the meeting the GFIA had earlier this year with many of the key people and bodies involved in the Australian G-20 presidency including the Parliamentary Secretary to the Treasurer, the Governor of Reserve Bank, the Australian Treasury, and the Department of Foreign Affairs and Trade to discuss the important role the insurance industry can play in Australia's 2014 Presidency of the G-20.

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2. A full list of GFIA member associations and copies of all press releases are available on the GFIA website www.GFIAinsurance.org
3. Through its 38 member associations, the Global Federation of Insurance Associations (GFIA) represents the interests of insurers and reinsurers in 58 countries. These companies account for around 87% of total insurance premiums worldwide. The GFIA is incorporated in Switzerland and its secretariat is based in Brussels.