

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS



BY-LAWS TASK FORCE

**CONSULTATION PAPER ON THE
PROPOSED IAIS BY-LAWS**

April 2004

Consultation Paper on the Proposed IAIS By-laws

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1. Background

Established in 1994, the IAIS was primarily a forum for insurance supervisors to exchange information. Recognising that it has the potential to play a larger role in enhancing the supervision of insurance industries worldwide, the IAIS has made remarkable progress over the last ten years, expanding its scope to standard-setting, publishing numerous principles, standards and guidance papers on insurance regulation and supervision. It has also held many seminars and workshops for supervisory authorities in various regions and developed tools to facilitate the implementation of the standards. To contribute to global financial stability, the IAIS has established close working relationships during these times with other international organisations and fora such as the IMF, World Bank, Basel Committee on Banking Supervision, IOSCO, FSF, IASB, and OECD.

The current IAIS By-laws, which were adopted in 1993, did not envisage such a development. The Executive Committee (the “Ex-Co”) has therefore decided at its meeting on 4 October 2003 to set up a task force to review the IAIS By-laws.

2. Task Force on the Revisions to the IAIS By-laws

The Task Force on the Revisions to the IAIS By-laws (the “Task Force”) was formed in December 2003 at the IAIS quarterly meeting in Anaheim. Its mandate is to revise the IAIS By-laws in order to make them consistent with the current IAIS status, activities, and IAIS publications. Particular attention is paid to ensure that the By-laws are consistent with the Insurance Core Principles, the foundation of all IAIS publications on standards and guidelines, and the Medium-Term Work Plan, which sets out IAIS’ strategy and how it intends to achieve it in the next five years. In drafting the revised By-laws, the Task Force has also consulted the Ex-Co on issues that are outside the Task Force’s mandate.

The Task Force has prepared this consultation paper to solicit comments from members and observers on the proposed IAIS By-laws. To facilitate readers’ understanding of the draft, section 3 of this paper provides background and explanation of the rationale behind some major revisions. The proposed By-laws are set out in Annex 1, and a comparative table between the current By-laws and the proposed revisions is shown in Annex 2.

3. Major areas of revision

3.1 *Structure, wordings and phrasing*

The Task Force made improvements to the structure, wordings and phrasing of the By-laws so as to provide more clarity and a more logical flow. Articles and phrases that were deemed to be too detailed or unnecessary were removed. In addition, to provide flexibility for future organisational changes, some areas have been redrafted and made more generic.

The preamble in the existing By-laws is removed. It is replaced by the proposed Article 2 which sets out clearly IAIS' objectives, and the means that would be used to achieve them. As this document is meant to be functional and used solely to prescribe the rules of the Association, no mission statement or statement of vision is therefore included. Mission statements should be developed in a separate document instead.

3.2 *The NAIC*

To capture the unique treatment of NAIC's membership in the IAIS, the current By-laws define the term "association of regulators" and spell out the rights and responsibilities of such association. This approach raises the question of whether the IAIS would be prepared to admit any other association under the same terms.

The Task Force discussed this issue with the Ex-Co and confirmed that the IAIS is unlikely to offer such terms to any new member in future. The Task Force therefore proposes to replace the term "association of regulators" in the By-laws with explicit reference to the NAIC and its rights as an IAIS member in Articles 4 and 6.

The Task Force agrees that it may seem awkward to name specific organisations in the By-laws. However, any attempt to use generic wordings to describe the NAIC will inadvertently include other regional associations of insurance supervisors. The Task Force's proposal is therefore a reasonable compromise that accurately reflects IAIS' position on this matter.

The By-laws have also been redrafted to clarify that the NAIC members shall be entitled to a maximum of 15 votes at the General Meeting collectively.

3.3 *International organisations*

The current By-laws state that either (a) an insurance industry supervisor or agency; or (b) an association of public regulator bodies with jurisdiction over the supervision of the insurance industry in a Federation of Jurisdictions can apply to be a member. These descriptions are not applicable to the European Commission and the OECD who are currently members of the IAIS.

To capture the close working relationship that such international organisations (which also include the World Bank and the IMF) have with the IAIS, a special class of membership is therefore proposed. Article 6 spells out that such organisation shall have the same rights as individual members, except that it may not vote at the General Meeting and may not be a member of the Ex-Co. The rights provided to international organisations under this new class of membership would help facilitate meaningful cooperation without causing dilution to the character of the Association.

3.4 *Non-payments of the annual fees*

The existing By-laws provide that where a member has not paid its membership contributions for more than two years, the membership shall lapse. For Observers, observerships lapse immediately if the annual fees are not paid on time.

For the Association to remain financially viable, it is vital to have good control on the annual fees receivables. There should be incentives to encourage prompt payment of annual fees. Article 8 of the proposed By-laws therefore states that all rights of a Member or an Observer will be suspended as long as there is any amount of annual fee owing to the IAIS. Suspended rights may be restored by payment of the amounts owing. Where such amount is overdue for two years or more, the membership or observership shall lapse automatically.

To provide some flexibility in extraordinary circumstances, the proposed By-laws allow the Ex-Co to reinstate rights suspended, or membership or observership lapsed, due to non-payment of fees if it has a good reason to do so.

3.5 *Two-thirds majority at the General Meeting*

For most resolutions passed at the General Meeting, the current By-laws provide that each Member shall be entitled to one vote. However, for highly important issues like the election of members of the Ex-Co, amendments to the By-laws, and the change in location of the Secretariat, each jurisdiction is only entitled to one vote.

Such limitation is difficult to enforce in practice, where the geographical area under jurisdiction of a Member is a subset of, or is identical to, the geographical area under jurisdiction of another Member. It is unclear which Member should relinquish its right to vote and how disputes among such Members should be resolved.

The Task Force proposes to remove the “one-jurisdiction-one-vote” system. Instead, every Member will be entitled to one vote, but a two-thirds majority is required for resolutions on highly important issues. This new system is reflected in Article 12 of the proposed By-laws.

3.6 *Composition of the Executive Committee*

The current By-laws seem to imply the following:

Among the maximum of 15 seats in the Ex-Co, two seats are reserved for the Chairs of the Technical Committee and the Emerging Market Committee. These Chairs need only the endorsement of their respective Committees but not the endorsement of the General Meeting through a majority vote. The General Meeting only has the right to decide 13 (or 12 where there is a seat reserved for the outgoing Chair of the Ex-Co) of the 15 seats available.

As decisions made by the Ex-Co represent the decision of IAIS members, any person casting a vote at the Ex-Co should have received the mandate of the General Meeting. Article 14 of the proposed By-laws therefore requires that all 15 voting members of the Ex-Co be elected at the General Meeting.

Most of IAIS’ operations are carried out through the Technical Committee, the Emerging Market Committee and the Budget Committee that the Ex-Co establishes. For good corporate governance, it is important for Chairs of these three Committees to provide inputs to the Ex-Co’s decision-making process. Article 14 of the proposed By-laws therefore also provides that where the Chairs of these three Committees are

not already voting members of the Ex-Co, they shall be non-voting members of the Ex-Co.

4. Request for comments

Members and observers are encouraged to provide comments **by 4 June 2004** in the format provided in Annex 3. Please forward your comments to Yoshihiro Kawai (yoshihiro.kawai@bis.org), with a copy to Alex Lee (alex.lee@bis.org).

Annex 1: Proposed By-laws of the IAIS (Draft)

International Association of Insurance Supervisors (IAIS)

BY-LAWS

I. General Provisions

Article 1: Name, Headquarters and Duration

An association by the name of **International Association of Insurance Supervisors** (hereinafter “the Association”) domiciled in Basel, Switzerland, is hereby established pursuant to Article 60 of the Swiss Civil Code. The Association is a non-profit organisation. The duration of the Association is unlimited.

Article 2: Objectives of the Association

(1) The Objectives of the Association are to —

- (a) co-operate to contribute to improved supervision of the insurance industry on a domestic as well as an international level in order to maintain efficient, fair, safe and stable insurance markets for the benefit and protection of policyholders;
- (b) promote the development of well-regulated and competitive insurance markets and thereby contribute to economic growth; and
- (c) contribute to global financial stability.

(2) In furtherance of its Objectives, the Association will, in particular, —

- (a) develop principles, standards and guidance for the supervision of insurance markets, which Members should strive to apply taking into account the specific circumstances of their markets;
- (b) encourage the implementation and practical application of its principles and standards;
- (c) develop methodologies for the assessment of the observance of its principles and standards, and facilitate assessment processes;
- (d) encourage broader contacts and co-operation amongst insurance supervisors, facilitating mutual assistance, education and training on insurance supervision and the exchange of supervisory information;
- (e) engender awareness of common interests and concerns amongst insurance supervisors and identify potential risks that may affect insurance supervision;
- (f) liaise and co-operate with other international organisations, particularly those involved in issues of financial markets supervision and promotion of financial growth, stability and integrity; and
- (g) represent a body of informed opinion within the field of insurance supervision and, where appropriate, to communicate such views, ideas and experience to third parties.

(3) The Association will operate in an open and transparent manner setting an appropriate example of transparency, administrative due process and governance, while maintaining the ability for supervisors to exchange information in confidence. In the development of principles, standards and guidance, the Association will consult widely amongst its members and observers and make its consultation procedures transparent.

Article 3: Legal Personality

(1) The Association has a separate legal personality. It shall, in particular, have the power to —

- (a) contract;
- (b) sue and be sued in its own name;
- (c) acquire and dispose of movable and immovable property; and
- (d) take such other actions as may be necessary or useful for its purposes and activities, within the bound of these By-laws.

(2) The Association shall be represented and legally committed in its dealings with third parties either by the signature of the Chair of the Executive Committee or by any other official of the Association duly authorised by the Chair of the Executive Committee to sign on behalf of the Association.

Article 4: Definitions

In these By-laws, unless the context otherwise indicates:

- (a) “Executive Committee” means the Executive Committee referred to in Articles 14 to 16 of the By-laws;
- (b) “General Meeting” means the General Meeting of Members referred to in Articles 11 to 13 of these By-laws;
- (c) “insurance” includes reinsurance and insured private pensions;
- (d) “Jurisdiction” means any nation, state, country, territory, province, or geographical area which has its own enforceable laws governing the incorporation or operation of insurers;
- (e) “Member” means a person approved to be a member of the Association in accordance with Article 6 of these By-laws;
- (f) “NAIC” means the National Association of Insurance Commissioners organised under the General Corporation Law of the State of Delaware;
- (g) “Observer” means a person approved to be an observer of the Association in accordance with Article 7 of these By-laws;
- (h) “Officer of the Association” means a member of the Executive Committee, the Secretariat, any other employee of the Association or any person duly authorised to act on behalf of the Association;
- (i) “Secretariat” means the Secretariat referred to in Article 17 of these By-laws; and
- (j) “supervisor” includes regulator, “supervisory” includes regulatory and “supervision” includes regulation.

Article 5: Financial Resources

(1) The financial resources of the Association shall comprise—

- (a) annual fees collected from its Members and Observers; and
- (b) donations, grants or other sources of revenue.

(2) The financial resources of the Association shall be used exclusively for pursuing the Objectives of the Association and shall be applied solely to the operating costs of the Association and the constitution of adequate reserves.

(3) The Association is liable within its assets. Members and Observers shall have no rights to the assets of the Association and shall not be responsible for the liabilities of the Association.

II. Members and Observers

Article 6: Members

(1) The Association is comprised of its Members.

(2) The following entities are eligible to be a Member:

- (a) an insurance industry supervisor who exercises its function within its Jurisdiction, as long as such supervisor or regulator does not actively underwrite, sell, or otherwise provide insurance;
- (b) the NAIC;
- (c) an international organisation made up of governments or statutory bodies that the Executive Committee may recommend to be eligible for membership.

(3) Subject to paragraphs (4) and (5), a Member shall have the right to vote and otherwise participate in the affairs of the Association. This right may be exercised through a representative who shall be a person wholly or principally employed by that Member. However, a representative may not be a consultant of the Member, regardless of whether the consultant is remunerated by that Member.

(4) For the NAIC and its members, they shall vote as follows:

- (a) the NAIC shall not have a right to vote; and
- (b) the NAIC may, at any one time, designate up to a maximum of 15 of its members who may exercise their rights to vote.

(5) For an organisation referred to in paragraph (2)(c),—

- (a) it shall not have the right to vote; and
- (b) no person who is wholly or principally employed by it shall be a member of the Executive Committee.

Article 7: Observers

(1) The following persons are eligible to be an Observer:

- (a) an international, regional or national organisation, a component element of which has an interest in insurance and insurance supervision, regardless of whether the organisation is directly responsible for insurance law or its administration;

- (b) any other person, entity, or organisation, private or public, with an interest in the business or supervision of insurance, and includes any company, association, educator, educational institution, or natural person.

(2) An Observer may participate in the affairs of the Association in a manner determined by the Executive Committee. An Observer shall not vote at any General Meeting.

Article 8: Annual Fees

(1) A Member or an Observer shall pay to the Association an annual fee for each financial year. The annual fee shall be paid before the 1 April in the year to which the fee relates upon receiving an invoice from the Association on or before 1 January.

(2) Where a Member or an Observer has any amount of annual fee owing to the Association for less than two (2) years, the rights of the Member or Observer in the Association under these By-laws shall be suspended. Receipt of full payment from such Member or Observer of all current and past due annual fees shall serve to immediately remove the suspension of rights.

(3) Where a Member or an Observer has any amount of annual fee owing to the Association for two (2) years or more, the membership or observership shall immediately be terminated.

(4) The Executive Committee may, upon good cause shown as determined by it, reinstate rights suspended under paragraph (2) or prevent the termination of membership or observership under paragraph (3).

(5) The annual fees payable by each Member and Observer shall be determined by the General Meeting based on the recommendation of the Executive Committee.

(6) The amount of the annual fees payable by Members should—

- (a) reflect the market and economic development of Members;
- (b) encourage as many Jurisdictions as possible to become Members and participate in the activities of the Association; and
- (c) not affect the ability of the Association to act independently.

Article 9: Admission, Resignation, and Cancellation

(1) Any application for admission as a Member or an Observer shall be made in writing addressed to the Secretary General who will forward the application to the Executive Committee for consideration. The General Meeting, after considering the recommendation of the Executive Committee, may accept or reject an application.

(2) The Executive Committee may request an applicant to supply any additional information it considers necessary to allow it to assess whether the applicant meets the criteria to be admitted as a Member or Observer.

(3) Once an application for admission has been approved by the General Meeting, the applicant shall be a Member or an Observer, whichever applicable, when it has paid the necessary annual fee.

(4) Any Member or Observer may resign by giving prior written notice to the Secretary General. Any such resignation shall take effect immediately upon the receipt of the notice or on a later date specified in the notice. Any obligation as a Member or an Observer shall

cease upon resignation. No refund of any portion of the annual fee shall be paid for any resignation.

(5) The General Meeting may cancel a person or an entity's status as a Member or an Observer—

- (a) where the entity is no longer eligible to be a Member or and Observer;
- (b) when the General Meeting deems that the entity has deliberately acted in a manner that is detrimental to the Association; or
- (c) on any other grounds that it deems fit,

with or without disclosing the grounds of cancellation to the entity.

III. Organisation

Article 10: Structure of the Association

The Association consists of the following organs:

- (a) the General Meeting of Members;
- (b) the Executive Committee and its committees and subcommittees; and
- (c) the Secretariat.

a) General Meeting of Members

Article 11: Attendance

All Members and Observers shall be entitled to attend General Meetings. The Executive Committee may, however, designate part of the proceedings as restricted to Members only. The Chair of the Executive Committee (or in the absence of the Chair, the Vice Chair) shall preside over General Meetings.

Article 12: Authorities of the General Meeting

(1) The General Meeting may, by a two-thirds majority of Members casting a vote, decide —

- (a) to amend the By-laws;
- (b) on the location of the offices of the Association; and
- (c) to dissolve the Association.

(2) The General Meeting may, by a simple majority of Members casting a vote, —

- (a) decide upon the manner in which a General Meeting conducts its affairs;
- (b) approve or reject applications for participation in the Association;
- (c) elect members of the Executive Committee;
- (d) approve the annual budget and fees to be paid by Members and Observers and business plan of the Association; and
- (e) adopt principles, standards, and guidance developed by the Association or other persons or entities;
- (f) appoint an independent auditor for the Association;

- (g) approve the audited financial statements and the annual report of the Association, and release members of the Executive Committee from all responsibility in respect of the past financial year; and
- (h) decide on any other matter governing the business and affairs of the Association.

(3) For the purposes of paragraphs (1) and (2), a quorum for a General Meeting shall consist of a majority of Members who have the right to vote.

Article 13: Convocation

The Association shall convene at least once a year a General Meeting, referred to as the Annual General Meeting. Additional General Meetings, referred to as Extraordinary General Meetings, may be called by the Executive Committee or by one-fifth of the Members stating the grounds in writing.

b) Executive Committee

Article 14: Composition, Appointment, Term of Office, and Voting

(1) The Executive Committee shall comprise—

- (a) a minimum of nine (9) and a maximum of fifteen (15) voting members elected by the General Meeting; and
- (b) non-voting members, if they are not already voting members under paragraph (a):
 - (i) Chair of the Technical Committee;
 - (ii) Chair of the Emerging Markets Committee; and
 - (iii) Chair of the Budget Committee.

(2) Every member of the Executive Committee shall be a natural person who is wholly or principally employed by a Member.

(3) A person elected to be a voting member of the Executive Committee shall be elected for a term of two (2) years. A voting member of the Executive Committee may be re-elected by the General Meeting after the expiry of his term.

(4) Where a member of the Executive Committee resigns or, for any other reason, is unable to continue serving as a member till the expiration of his or her term, the Executive Committee may appoint another person to fill the vacancy, subject to subsequent ratification by the General Meeting.

(5) The Executive Committee shall be limited to no more than one person per Jurisdiction. The Executive Committee shall be composed of an appropriate representation of the different geographic areas and different types insurance markets, particularly in respect of the market sizes and development.

(6) The Executive Committee shall elect from within its members a Chair and a Vice Chair of the Executive Committee. A person elected to be the Chair or the Vice Chair of the Executive Committee shall be elected for a term of two (2) years, or until the expiry of his or her term as a voting member of the Executive Committee, whichever is earlier. The Chair or the Vice Chair of the Executive Committee may be re-elected after the expiry of his or her term if he or she continues to be a voting member of the Executive Committee.

(7) A quorum of the Executive Committee shall consist of a majority of its voting members. Decisions of the Executive Committee shall be taken by a simple majority of its voting members casting a vote. A voting member of the Executive Committee may appoint in writing a proxy, who shall be a natural person who is wholly or principally employed by the same Member as the voting member, to vote on his or her behalf. The person acting as Chair at a meeting of the Executive Committee shall in the case of an equality of votes have a casting vote in addition to a deliberative vote. Any decision made by the Executive Committee at any meeting conducted by any means of communication shall be valid, if it is confirmed subsequently in writing.

Article 15: Responsibilities and Authorities of the Executive Committee

(1) Members of the Executive Committee shall act in the best interests of the Association.

(2) The Executive Committee shall take all decisions necessary to achieve the Objectives of the Association in accordance with the directions given by the General Meeting.

(3) The Executive Committee shall establish the following committees:

- (a) a Technical Committee, which shall, among other things, develop international principles, standards, guidance and other documents related to insurance supervision;
- (b) an Emerging Markets Committee, which shall work on issues related to improving supervision of emerging markets;
- (c) a Budget Committee, which shall propose an annual budget and annual fees of Members and Observers to the Executive Committee, foreseeing all financial, relevant and material activities of the Association. This Committee shall report periodically to the Executive Committee on the financial situation of the Association.

(4) The Technical Committee, the Emerging Markets Committee and the Budget Committee shall report to the Executive Committee through their respective Chairs.

(5) The duties of the Executive Committee include the following:

- (a) to prepare amendments to the By-laws to be made by the General Meeting;
- (b) to call a General Meeting;
- (c) to consider applications for participation in the Association and make recommendations to the General Meeting in relation to such applications;
- (d) to prepare a program of activities of the Association, an annual report and an annual budget including the fees to be paid by Members and Observers to be approved by the General Meeting;
- (e) to review principles, standards and guidance the Association have developed or endorsed;
- (f) to assure effective and efficient working structures that fulfil the Association's mandate, while balancing yearly budgets;
- (g) to recommend to the General Meeting decisions regarding the business and affairs of the Association;
- (h) to prepare the programme of the Annual Conference and to take key decisions for the preparation of the Conference;
- (i) to appoint the Secretary General and oversee the functioning of the Secretariat;

- (j) to carry out other duties assigned to it by the General Meeting; and
- (k) to do all things necessary to ensure the sound functioning and furtherance of the Objectives of the Association.

Article 16: Subcommittees and Working Parties

(1) The Executive Committee, Technical Committee and the Emerging Markets Committee may establish under them subcommittees or working parties that help to carry out their respective duties.

(2) The Chair of a Committee which establishes a subcommittee or a working party shall appoint a Chair for the subcommittee or working party. The appointment process shall be carried out in a transparent manner.

(3) The Chairs of all subcommittees and working parties taken collectively shall as far as possible be comprised of insurance supervisors reflecting a balance of geographical areas and supervisory approaches.

c) Secretariat

Article 17: Secretariat

(1) The Secretariat shall be directed by the Secretary General appointed by the Executive Committee, and shall act in accordance with the instructions of the Executive Committee.

(2) The main responsibilities of the Secretariat shall be the following:

- (a) to support activities of the Association, in particular regarding standard setting and standard implementation;
- (b) to ensure efficient communication among Members and Observers and others;
- (c) to maintain and reinforce the Association;
- (d) to facilitate cooperation with other institutions;
- (e) to manage the financial, material and human resources of the Association in a proper way and in accordance with the authorised budget; and
- (f) to carry out all other functions that are assigned by the Executive Committee.

(3) The expenses for the operation of the Secretariat shall be borne by the Association.

Article 18: Annual Conference

(1) The Association shall hold an Annual Conference annually or at such other interval as the General Meeting may determine. The languages of the Annual Conference shall be at least English, French and Spanish. An Annual Conference may be held in conjunction with the Annual General Meeting referred to in Article 13 or at such other time as determined by the General Meeting.

(2) Subject to conditions set out by the Executive Committee, which includes the payment of a registration fee, persons who are neither Members nor Observers may attend the whole or any part of the Annual Conference.

(3) The Annual Conference is directed by the representative of the Member hosting the Conference, in collaboration with the Chair of the Executive Committee and the Secretariat. If needed the Executive Committee may appoint another person to direct the Annual Conference.

IV. Final Provisions

Article 19: Indemnification

(1) The General Meeting may decide, on the recommendation of the Executive Committee, that the Association will indemnify current or former Officers of the Association against costs and charges in respect of a civil, criminal or administrative proceeding to which he/she is made a party of by reason of being or having been an Officer of the Association, if that person acted honestly and in good faith in fulfilment of his/her duties with a view to the best interests of the Association.

(2) The Executive Committee shall establish reasonable limits on the indemnification provided and it may purchase and maintain insurance to cover this risk. The Executive Committee may advance funds to current or former Officers of the Association to cover the cost of his/her involvement in a proceeding.

Article 20: Dissolution

The Members at a General Meeting may at any time decide to dissolve the Association. Liquidation shall be carried out by the Executive Committee unless entrusted by the General Meeting to other persons. Any surplus assets of the Association shall be applied in accordance with a decision taken by the General Meeting that dissolves the Association.

Article 21: Financial Year

The financial year shall run from 1 January to 31 December.

Article 22: Governing Law and Dispute Resolution

(1) The laws of Switzerland shall govern these By-laws.

(2) All disputes arising in connection with these By-laws shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as in force on the day on which these By-laws were approved by Members at the General Meeting. The number of arbitrators shall be three; the seat of arbitration shall be Basel, Switzerland; the language to be used in the arbitral proceedings shall be English.

(3) These By-laws shall come into effect on 7 October 2004 and shall replace the By-laws approved by the General Meeting on 8 December 1999.

Annex 2: Comparison between current and the proposed IAIS By-laws

Proposed By-Laws	Current By-Laws
<p>I. General Provisions</p> <p>Article 1: Name, Headquarters and Duration</p> <p>An association by the name of International Association of Insurance Supervisors (hereinafter “the Association”) domiciled in Basel, Switzerland, is hereby established pursuant to Article 60 of the Swiss Civil Code. The Association is a non-profit organisation. The duration of the Association is unlimited.</p>	<p>Preamble –</p> <p>“... AND DECIDE, TO ACHIEVE THESE OBJECTIVES</p> <ul style="list-style-type: none"> to join together in the International Association of Insurance Supervisors (the “Association”), an association established in accordance with Article 60 et seq. of the Swiss Civil Code, to be governed by these by-laws and to pursue these objectives on a cost and thus nonprofit basis by utilizing its income solely for the purposes of achieving its objectives and not to distribute any profit or dividend to any member.”
<p>Article 2: Objectives of the Association</p> <p>(1) The Objectives of the Association are to —</p> <ul style="list-style-type: none"> (a) co-operate to contribute to improved supervision of the insurance industry on a domestic as well as an international level in order to maintain efficient, fair, safe and stable insurance markets for the benefit and protection of policyholders; (b) promote the development of well-regulated and competitive insurance markets and thereby contribute to economic growth; and (c) contribute to global financial stability. <p>(2) In furtherance of its Objectives, the Association will, in particular, —</p> <ul style="list-style-type: none"> (a) develop principles, standards and guidance for the supervision of insurance markets, which Members should strive to apply taking into account the specific circumstances 	<p>Preamble —</p> <p>“THE INSURANCE SUPERVISORS referred to in PART 2 of these by-laws</p> <p>RECOGNIZE that the insurance industries and markets are of fundamental economic and social importance, nationally and internationally;</p> <p>RECOGNIZE that most domestic insurance markets are increasingly being integrated into a global market;</p> <p>WISH TO</p> <ul style="list-style-type: none"> formally establish an independent forum for meetings of insurance supervisors for their mutual benefit; engender awareness of common interests and concerns among such insurance supervisors; encourage wide international personal and official contacts among insurance supervisors;

<p>of their markets;</p> <p>(b) encourage the implementation and practical application of its principles and standards;</p> <p>(c) develop methodologies for the assessment of the observance of its principles and standards, and facilitate assessment processes;</p> <p>(d) encourage broader contacts and co-operation amongst insurance supervisors, facilitating mutual assistance, education and training on insurance supervision and the exchange of supervisory information;</p> <p>(e) engender awareness of common interests and concerns amongst insurance supervisors and identify potential risks that may affect insurance supervision;</p> <p>(f) liaise and co-operate with other international organisations, particularly those involved in issues of financial markets supervision and promotion of financial growth, stability and integrity; and</p> <p>(g) represent a body of informed opinion within the field of insurance supervision and, where appropriate, to communicate such views, ideas and experience to third parties.</p>	<ul style="list-style-type: none"> • enhance the ability of insurance supervisors to better protect insurance policyholders and to better promote and secure efficient insurance markets. <p>RESOLVE</p> <ul style="list-style-type: none"> • to cooperate together to ensure improved supervision of the insurance industry on the domestic as well as on an international level in order to maintain efficient, fair, safe and stable insurance markets for the benefit and protection of policyholders; • to unite their efforts to develop practical standards for supervision of insurance that members may choose to apply; • to liaise or cooperate with other relevant international entities; • to provide mutual assistance to safeguard the integrity of markets; • to exchange information on their respective experiences in order to promote the development of domestic insurance markets.” <p>2. Insurance industry supervisors and eligible agencies are joined together in the International Association of Insurance Supervisors to assist such supervisors or agencies to achieve their objectives through the forums for discussion, by cooperation and standards for regulation and supervision agreed to by the Association.</p>
<p>(3) The Association will operate in an open and transparent manner setting an appropriate example of transparency, administrative due process and governance, while maintaining the ability for supervisors to exchange information in confidence. In the development of principles, standards and guidance, the Association will consult widely amongst its members and observers and make its consultation procedures transparent.</p>	<p><New></p>
<p>Article 3: Legal Personality</p>	<p>2A. The Association shall have separate legal personality. It</p>

<p>(1) The Association has a separate legal personality. It shall, in particular, have the power to —</p> <ul style="list-style-type: none"> (a) contract; (b) sue and be sued in its own name; (c) acquire and dispose of movable and immovable property; and (d) take such other actions as may be necessary or useful for its purposes and activities, within the bound of these By-laws. 	<p>shall in particular have the power to:</p> <ul style="list-style-type: none"> (a) contract; and (b) sue and be sued, complain and defend, in its own name; and (c) acquire and dispose of movable and immovable property; and (d) take such other action as may be necessary or useful for its purposes and activities, within its general powers.
<p>(2) The Association shall be represented and legally committed in its dealings with third parties either by the signature of the Chair of the Executive Committee or by any other official of the Association duly authorised by the Chair of the Executive Committee to sign on behalf of the Association.</p>	<p>29A. The Association shall be represented and legally committed in its dealings with third parties either by the signature of the Chairperson of the Executive Committee, or of another member of the Executive Committee, or of any other official of the Association duly authorized by the Chairperson to sign on behalf of the Association.</p>
<p>Article 4: Definitions</p> <p>In these By-laws, unless the context otherwise indicates:</p> <ul style="list-style-type: none"> (a) “Executive Committee” means the Executive Committee referred to in Articles 14 to 16 of the By-laws; (b) “General Meeting” means the General Meeting of Members referred to in Articles 11 to 13 of these By-laws; (c) “insurance” includes reinsurance and insured private pensions; (d) “Jurisdiction” means any nation, state, country, territory, province, or geographical area which has its own enforceable laws governing the incorporation or operation of insurers; (e) “Member” means a person approved to be a member of the Association in accordance with Article 6 of these By-laws; (f) “NAIC” means the National Association of Insurance Commissioners organised under the General Corporation Law of the State of Delaware; 	<p>1. In these by-laws, unless the context otherwise indicates:</p> <ul style="list-style-type: none"> (a) any reference to ‘supervisor’, ‘supervisory’ or ‘supervision’ shall include ‘regulator’, ‘regulatory’ or ‘regulation’; (b) the singular shall include the plural; (c) any prescribed period for the doing of any act shall be calculated exclusively of the first day and inclusively of the last day unless such day is a Saturday or a Sunday. (d) “Jurisdiction” means any nation, state, country, territory, province, or geographical area which has its own enforceable laws governing the incorporation or operation of insurers. (e) “Federation of Jurisdictions” means any form of federal association of Jurisdictions with a central organising entity which exercises powers in relation to the residents in each constituent Jurisdiction and represents them externally. It does not include an international association of sovereign states.

<p>(g) “Observer” means a person approved to be an observer of the Association in accordance with Article 7 of these By-laws;</p> <p>(h) “Officer of the Association” means a member of the Executive Committee, the Secretariat, any other employee of the Association or any person duly authorised to act on behalf of the Association;</p> <p>(i) “Secretariat” means the Secretariat referred to in Article 17 of these By-laws; and</p> <p>(j) “supervisor” includes regulator, “supervisory” includes regulatory and “supervision” includes regulation.</p>	
<p>Article 5: Financial Resources</p> <p>(1) The financial resources of the Association shall comprise—</p> <p>(a) annual fees collected from its Members and Observers as set out below in Article 8; and</p> <p>(b) donations, grants or other sources of revenue.</p> <p>(2) The financial resources of the Association shall be used exclusively for pursuing the Objectives of the Association and shall be applied solely to the operating costs of the Association and the constitution of adequate reserves.</p>	<New>
<p>(3) The Association is liable within its assets. Members and Observers shall have no rights to the assets of the Association and shall not be responsible for the liabilities of the Association.</p>	<p>4. The by-laws are for the purposes of the establishment and the operation of the Association and do not impose legal obligations on members or the Jurisdictions or Federation of Jurisdictions which they represent.</p>
<p>II. Members and Observers</p> <p>Article 6: Members</p> <p>(1) The Association is comprised of its Members.</p>	<p>6. The Association is comprised of its members. (Each annual report of the Association, referred to in Part 8 of these by-laws, will contain a list of the members.)</p>
<p>(2) The following entities are eligible to be a Member:</p> <p>(a) an insurance industry supervisor who exercises its function</p>	<p>7. Either of the following can apply for membership in the Association:</p>

<p>within its Jurisdiction, as long as such supervisor or regulator does not actively underwrite, sell, or otherwise provide insurance;</p> <p>(b) the NAIC;</p> <p>(c) an international organisation made up of governments or statutory bodies that the Executive Committee may recommend to be eligible for membership.</p>	<p>(a) an insurance industry supervisor or agency;</p> <p>(b) an association of the public regulatory bodies with jurisdiction over the supervision of the insurance industry in a Federation of Jurisdictions (an 'association of regulators').</p>
<p>(3) Subject to paragraphs (4) and (5), a Member shall have the right to vote and otherwise participate in the affairs of the Association. This right may be exercised through a representative who shall be a person wholly or principally employed by that Member. However, a representative may not be a consultant of the Member, regardless of whether the consultant is remunerated by that Member.</p>	<p>24.</p> <p>(a) Each member is represented at meetings of the Association by the head of the respective supervisory body, or any alternative designated in writing by such head.</p> <p>(b) A vote may be exercised only by the member or by the person representing the member.</p>
<p>(4) For the NAIC and its members, they shall vote as follows:</p> <p>(a) the NAIC shall not have a right to vote; and</p> <p>(b) the NAIC may, at any one time, designate up to a maximum of 15 of its members who may exercise their rights to vote.</p>	<p>7A. An association of regulators can apply for one or both of the following:</p> <p>(a) a single membership for the association of regulators;</p> <p>(b) multiple membership.</p> <p>7B. A single membership under paragraph 7A(a) confers on the association of regulators concerned the same rights and obligations as apply to any other member of the Association (except a member by virtue of multiple membership).</p> <p>7C. The following rules apply to multiple membership:</p> <p>(a) the insurance industry supervisors or agencies that are members of an association of regulators that has multiple membership are taken to be members of the association for all purposes under the by-laws (except as otherwise provided in this by-law);</p> <p>(b) a member of the association of regulators must be present at the General Meeting of the Association for its vote to be</p>

	<p>counted;</p> <p>(c) the association of regulators must pay a membership contribution on or before 1 April in a year in respect of the total number of its members that it wishes to have the right to vote during that year (the individual members making up the total number may change from time to time);</p> <p>(d) an insurance industry supervisor or agency cannot at the same time be a member of the Association in its own right and a member of the Association by virtue of multiple membership;</p> <p>(e) an association of regulators that has multiple membership is not a member of the Association in its own right unless it also has a single membership under paragraph 7A(a).</p> <p>7D. The number of votes that the members of an association of regulators that are members of the Association can exercise is limited to a maximum of 15 except that for matters dealt with in paragraph 10 the limits will be one vote (provided that a vote shall not be exercised while a membership contribution payable under paragraph 7C(c) or 10(b) in respect of that vote remains unpaid). This by-law applies whether the association of regulators has a single membership under paragraph 7A(a), multiple membership or no membership of the Association.</p>
<p>(5) For an organisation referred to in paragraph (2)(c),—</p> <p>(a) it shall not have the right to vote; and</p> <p>(b) no person who is wholly or principally employed by it shall be a member of the Executive Committee.</p>	<p><New></p>
<p>Article 7: Observers</p> <p>(1) The following persons are eligible to be an Observer:</p> <p>(a) an international, regional or national organisation, a component element of which has an interest in insurance and insurance supervision, regardless of whether the organisation</p>	<p>13. The following bodies may apply to become observers:</p> <p>(a) an international, national or regionally based official governmental organization, a component element of which has an interest in insurance and insurance supervision, even though the organization is not directly responsible for</p>

<p>is directly responsible for insurance law or its administration;</p> <p>(b) any other person, entity, or organisation, private or public, with an interest in the business or supervision of insurance, and includes any company, association, educator, educational institution, or natural person.</p>	<p>insurance law or its administration;</p> <p>(b) any other person or body recommended by the Executive Committee to the Association in General Meeting.</p>
<p>(2) An Observer may participate in the affairs of the Association in a manner determined by the Executive Committee. An Observer shall not vote at any General Meeting.</p>	<p>16. An observer shall not have a vote but shall be entitled:</p> <p>(a) on payment of the registration fee to attend any conference or General Meeting of the Association; and</p> <p>(b) to a copy of the annual report of the Association.</p> <p>17. The Executive Committee may decide to limit the attendance of any conference or General Meeting of the Association or part thereof referred to in by-law 16(a) or the circulation of any annual report referred to in by-law 16(b) to members of the Association only.</p>
<p>Article 8: Annual Fees</p> <p>(1) A Member or an Observer shall pay to the Association an annual fee for each financial year. The annual fee shall be paid before the 1 April in the year to which the fee relates upon receiving an invoice from the Association on or before 1 January.</p>	<p>9. The membership contribution is determined by the Association in General Meeting on the recommendation of the Executive Committee and is payable annually before 1 April.</p> <p>15. The contribution payable by an observer is determined by the Association in General Meeting on the recommendation of the Executive Committee and is payable annually before 1 April.</p>
<p>(2) Where a Member or an Observer has any amount of annual fee owing to the Association for less than two (2) years, the rights of the Member or Observer in the Association under these By-laws shall be suspended. Receipt of full payment from such Member or Observer of all current and past due annual fees shall serve to immediately remove the suspension of rights.</p> <p>(3) Where a Member or an Observer has any amount of annual fee owing to the Association for two (2) years or more, the membership or observership shall immediately be terminated.</p> <p>(4) The Executive Committee may, upon good cause shown as</p>	<p>“11. The membership of a member:</p> <p>(a) shall lapse if the membership contribution of a member has not been paid for two years; or ...”</p> <p>“18. An observer shall cease to be an observer:</p> <p>(a) if the contribution payable by an observer for a particular year has not been paid before 1 April....”</p>

determined by it, reinstate rights suspended under paragraph (2) or prevent the termination of membership or observership under paragraph (3).	
(5) The annual fees payable by each Member and Observer shall be determined by the General Meeting based on the recommendation of the Executive Committee.	9. The membership contribution is determined by the Association in General Meeting on the recommendation of the Executive Committee and is payable annually before 1 April.
(6) The amount of the annual fees payable by Members should— (a) reflect the market and economic development of Members; (b) encourage as many Jurisdictions as possible to become Members and participate in the activities of the Association; and (c) not affect the ability of the Association to act independently.	<New>
Article 9: Admission, Resignation, and Cancellation (1) Any application for admission as a Member or an Observer shall be made in writing addressed to the Secretary General who will forward the application to the Executive Committee for consideration. The General Meeting, after considering the recommendation of the Executive Committee, may accept or reject an application. (2) The Executive Committee may request an applicant to supply any additional information it considers necessary to allow it to assess whether the applicant meets the criteria to be admitted as a Member or Observer. (3) Once an application for admission has been approved by the General Meeting, the applicant shall be a Member or an Observer, whichever applicable, when it has paid the necessary annual fee.	8. An application for membership must: (a) be sent to the Secretariat accompanied by the membership contribution; (b) include a description of the organization of the applicant and its responsibilities, particularly its insurance supervisory responsibilities; (c) be approved by the Association in General Meeting on the recommendation of the Executive Committee. 14. An application to become an observer must: (a) be sent to the Secretariat accompanied by the contribution payable by an observer; (b) include a description of the organization of the applicant and particularly, its interest in the insurance industry; and (c) be approved by the Association in General Meeting on the recommendation of the Executive Committee.
(4) Any Member or Observer may resign by giving prior written notice	12. A member may resign by giving written notice of its

<p>to the Secretary General. Any such resignation shall take effect immediately upon the receipt of the notice or on a later date specified in the notice. Any obligation as a Member or an Observer shall cease upon resignation. No refund of any portion of the annual fee shall be paid for any resignation.</p>	<p>resignation to the Secretariat and after such notice shall not be entitled to any benefit including the refund of any portion of the membership contribution paid or required to comply with any of the obligations of a member.</p> <p>19. An observer may resign by giving written notice of its resignation and after such notice shall not be entitled to any benefit including the refund of any portion of the contribution paid or required to comply with any of the obligations of an observer.</p>
<p>(5) The General Meeting may cancel a person or an entity's status as a Member or an Observer—</p> <ul style="list-style-type: none"> (a) where the entity is no longer eligible to be a Member or and Observer; (b) when the General Meeting deems that the entity has deliberately acted in a manner that is detrimental to the Association; or (c) on any other grounds that it deems fit, with or without disclosing the grounds of cancellation to the entity. 	<p>“11. The membership of a member:</p> <p>...</p> <ul style="list-style-type: none"> (b) may be cancelled by the Executive Committee if a member has become disqualified in terms of the by-laws or has deliberately acted in a manner that is detrimental to the Association.” <p>“18. An observer shall cease to be an observer:</p> <p>...</p> <ul style="list-style-type: none"> (b) if the Executive Committee decides an observer has become disqualified in terms of the by-laws or has deliberately acted in a manner that is detrimental to the Association.”
<p>III. Organisation</p> <p>Article 10: Structure of the Association</p> <p>The Association consists of the following organs:</p> <ul style="list-style-type: none"> (a) the General Meeting of Members; (b) the Executive Committee and its committees and subcommittees; and (c) the Secretariat. 	<p>20. The Association is comprised of the following:</p> <ul style="list-style-type: none"> the Association in General Meeting the Executive Committee and its subcommittees the Secretariat
<p>a) General Meeting of Members</p> <p>Article 11: Attendance</p>	<p>17. The Executive Committee may decide to limit the attendance of any conference or General Meeting of the Association or part thereof referred to in by-law 16(a) or the circulation of any annual</p>

<p>All Members and Observers shall be entitled to attend General Meetings. The Executive Committee may, however, designate part of the proceedings as restricted to Members only. The Chair of the Executive Committee (or in the absence of the Chair, the Vice Chair) shall preside over General Meetings.</p>	<p>report referred to in by-law 16(b) to members of the Association only.</p> <p>21. The Association shall hold an annual meeting called the General Meeting.</p> <p>45. The Chairperson of the Executive Committee (or in his or her absence, the Vice-Chairperson) shall preside over the General Meeting of the Association.</p>
<p>Article 12: Authorities of the General Meeting</p> <p>(1) The General Meeting may, by a two-thirds majority of Members casting a vote, decide —</p> <ul style="list-style-type: none"> (a) to amend the By-laws; (b) on the location of the offices of the Association; and (c) to dissolve the Association. <p>(2) The General Meeting may, by a simple majority of Members casting a vote, —</p> <ul style="list-style-type: none"> (a) decide upon the manner in which a General Meeting conducts its affairs; (b) approve or reject applications for participation in the Association; (c) elect members of the Executive Committee; (d) approve the annual budget and fees to be paid by Members and Observers and business plan of the Association; and (e) adopt principles, standards, and guidance developed by the Association or other persons or entities; (f) appoint an independent auditor for the Association; (g) approve the audited financial statements and the annual report of the Association, and release members of the Executive Committee from all responsibility in respect of the past financial year; and 	<p>5. The location of the General Secretariat of the Association shall be determined by the Association in General Meeting on the recommendation of the Executive Committee.</p> <p>10. Subject to the provisions of paragraphs 7A to 7D which determine the voting rights of multiple members, every member should have a vote provided that:</p> <ul style="list-style-type: none"> (a) in the election of the Executive Committee, the amendment, substitution or repeal of any By-laws of the Association, or the location of the Secretariat, voting should be limited as follows: <ul style="list-style-type: none"> (i) where there is more than one member representing a Jurisdiction, only one vote shall be cast on behalf of that Jurisdiction, unless that member is a Jurisdiction within a Federation of Jurisdictions, in which case (ii) applies; and (ii) where there is more than one member representing a Federation of Jurisdictions, only one vote shall be cast on behalf of the Federation of Jurisdictions; and (b) if the membership contribution of a member for a particular year has not been paid before or on first day of April, such a member shall, until payment of such contribution, have no vote. <p>44. The Executive Committee shall, in accordance with by-law 21, call and conduct a General Meeting of the Association for the purpose of reporting on the work of the Committee, seeking directions from the meeting, conducting necessary elections or amendment of the Association objectives and by-laws, or to approve the minutes of the General Meeting of the Association and to approve</p>

<p>(h) decide on any other matter governing the business and affairs of the Association.</p> <p>(3) For the purposes of paragraphs (1) and (2), a quorum for a General Meeting shall consist of a majority of Members who have the right to vote.</p>	<p>the appointment of an independent auditor for the Association as recommended by Executive Committee, and to consider and approve the annual report and audited financial statement of the Association referred to in by-law 47.</p> <p>46. A majority of members attending a General Meeting constitutes a quorum for such a General Meeting of the Association, and decisions are made by the majority of members present at a General Meeting.</p>
<p>Article 13: Convocation</p> <p>The Association shall convene at least once a year a General Meeting, referred to as the Annual General Meeting. Additional General Meetings, referred to as Extraordinary General Meetings, may be called by the Executive Committee or by one-fifth of the Members stating the grounds in writing.</p>	<p><New></p>
<p>b) Executive Committee</p> <p>Article 14: Composition, Appointment, Term of Office, and Voting</p> <p>(1) The Executive Committee shall comprise—</p> <p>(a) a minimum of nine (9) and a maximum of fifteen (15) voting members elected by the General Meeting; and</p> <p>(b) non-voting members, if they are not already voting members under paragraph (a):</p> <p>(i) Chair of the Technical Committee;</p> <p>(ii) Chair of the Emerging Markets Committee; and</p> <p>(iii) Chair of the Budget Committee.</p> <p>(2) Every member of the Executive Committee shall be a natural person who is wholly or principally employed by a Member.</p>	<p>22. The Executive Committee is comprised of a minimum of nine and a maximum of fifteen members (including the two chairs mentioned in by-law 22A).</p> <p>22A. The chairs of the Technical Committee and the Emerging Markets Issues Committee (which are established by the Executive Committee) shall be ex-officio members of the Executive Committee.</p> <p>22B. The other members of the Executive Committee (the 'elected members') shall each be elected by a majority vote of the Association in General Meeting. (The rules in paragraph 10(b) apply to the voting.)</p>
<p>(3) A person elected to be a voting member of the Executive Committee shall be elected for a term of two (2) years. A voting</p>	<p>25.</p> <p>(a) The members of the Executive Committee are elected for a</p>

<p>member of the Executive Committee may be re-elected by the General Meeting after the expiry of his term.</p>	<p>period of two years. An outgoing Chairperson who represents a member of the Association remains an ex officio voting member of the Executive Committee for a period of one year after the expiration of his or her term as Chairperson.</p> <p>(b) For purposes of paragraph (a) a one year period is considered to cover the interval between two annual General Meetings.</p>
<p>(4) Where a member of the Executive Committee resigns or, for any other reason, is unable to continue serving as a member till the expiration of his or her term, the Executive Committee may appoint another person to fill the vacancy, subject to subsequent ratification by the General Meeting.</p>	<p>26. Casual vacancies in the Executive Committee may, subject to by-law 22, be filled by the Executive Committee until the next General Meeting of the Association.</p>
<p>(5) The Executive Committee shall be limited to no more than one person per Jurisdiction. The Executive Committee shall be composed of an appropriate representation of the different geographic areas and different types insurance markets, particularly in respect of the market sizes and development.</p>	<p>22C. Membership of the Executive Committee shall be limited to no more than one member per Jurisdiction and shall, as far as possible, be comprised of insurance supervisors from different areas and different interest groups.</p>
<p>(6) The Executive Committee shall elect from within its members a Chair and a Vice Chair of the Executive Committee. A person elected to be the Chair or the Vice Chair of the Executive Committee shall be elected for a term of two (2) years, or until the expiry of his or her term as a voting member of the Executive Committee, whichever is earlier. The Chair or the Vice Chair of the Executive Committee may be re-elected after the expiry of his or her term if he or she continues to be a voting member of the Executive Committee.</p>	<p>27. The Executive Committee shall choose, from its members, a Chairperson and a Vice Chairperson.</p>
<p>(7) A quorum of the Executive Committee shall consist of a majority of its voting members. Decisions of the Executive Committee shall be taken by a simple majority of its voting members casting a vote. A voting member of the Executive Committee may appoint in writing a proxy, who shall be a natural person who is wholly or principally employed by the same Member as the voting member, to vote on his or her behalf. The person acting as Chair at a meeting of the</p>	<p>31. A majority of members of the Executive Committee constitute a quorum and decisions are made by the majority of the members present. The person acting as Chairperson at a meeting of the Executive Committee shall in the case of an equality of votes have a casting vote in addition to a deliberative vote. Deliberations among members of the Executive Committee conducted by any</p>

<p>Executive Committee shall in the case of an equality of votes have a casting vote in addition to a deliberative vote. Any decision made by the Executive Committee at any meeting conducted by any means of communication shall be valid, if it is confirmed subsequently in writing.</p>	<p>means of telecommunication which are confirmed in writing are valid.</p>
<p>Article 15: Responsibilities and Authorities of the Executive Committee</p> <p>(1) Members of the Executive Committee shall act in the best interests of the Association.</p> <p>(2) The Executive Committee shall take all decisions necessary to achieve the Objectives of the Association in accordance with the directions given by the General Meeting.</p>	<p>28. The Executive Committee takes all decisions necessary to achieve the objectives of the Association in accordance with the directions given by the Association in General Meeting. The Executive Committee may set up sub-committees to assist it with the performance of its duties.</p>
<p>(3) The Executive Committee shall establish the following committees:</p> <ul style="list-style-type: none"> (a) a Technical Committee, which shall, among other things, develop international principles, standards, guidance and other documents related to insurance supervision; (b) an Emerging Markets Committee, which shall work on issues related to improving supervision of emerging markets; (c) a Budget Committee, which shall propose an annual budget and annual fees of Members and Observers to the Executive Committee, foreseeing all financial, relevant and material activities of the Association. This Committee shall report periodically to the Executive Committee on the financial situation of the Association. <p>(4) The Technical Committee, the Emerging Markets Committee and the Budget Committee shall report to the Executive Committee through their respective Chairs.</p>	<p><New></p>
<p>(5) The duties of the Executive Committee include the following:</p> <ul style="list-style-type: none"> (a) to prepare amendments to the By-laws to be made by the 	<p>“23. ...</p> <ul style="list-style-type: none"> (b) The Executive Committee shall determine the conditions and

<p>General Meeting;</p> <ul style="list-style-type: none"> (b) to call a General Meeting; (c) to consider applications for participation in the Association and make recommendations to the General Meeting in relation to such applications; (d) to prepare a program of activities of the Association, an annual report and an annual budget including the fees to be paid by Members and Observers to be approved by the General Meeting; (e) to review principles, standards and guidance the Association have developed or endorsed; (f) to assure effective and efficient working structures that fulfil the Association's mandate, while balancing yearly budgets; (g) to recommend to the General Meeting decisions regarding the business and affairs of the Association; (h) to prepare the programme of the Annual Conference and to take key decisions for the preparation of the Conference; (i) to appoint the Secretary General and oversee the functioning of the Secretariat; (j) to carry out other duties assigned to it by the General Meeting; and (k) to do all things necessary to ensure the sound functioning and furtherance of the Objectives of the Association. 	<p>period of office of the persons referred to in paragraph (a).”</p> <p>29. The duties of the Executive Committee are:</p> <ul style="list-style-type: none"> (a) to prepare a program of activities and an annual budget (including annual membership and observer contribution) to be approved by the Association in General Meeting; (b) to act as liaison among members of the Association; (c) to prepare the program of the Association Conference and to take all necessary decisions for the preparation of the Conference; (d) to report on the work of the Executive Committee to the Association in General Meeting; (e) to assist the host country in organizing the Association's Conference; (f) to consider the admission of members and observers; (g) to recommend to the Association in General Meeting conditions which shall apply to the attendance of observers at the Association's Conference and the registration fees for observers; (h) to call a General Meeting of the Association after 60 days notice; (i) to carry out other duties assigned to it by the Association in General Meeting; and (j) to oversee the functioning of the Secretariat. <p>30. The Chairperson of the Executive Committee (or in his or her absence, the Vice-Chairperson) calls and conducts the meetings of the Executive Committee. The Secretariat shall keep minutes of such meetings.</p>
<p>Article 16: Subcommittees and Working Parties</p> <p>(1) The Executive Committee, Technical Committee and the</p>	<p><New></p>

<p>Emerging Markets Committee may establish under them subcommittees or working parties that help to carry out their respective duties.</p> <p>(2) The Chair of a Committee which establishes a subcommittee or a working party shall appoint a Chair for the subcommittee or working party. The appointment process shall be carried out in a transparent manner.</p> <p>(3) The Chairs of all subcommittees and working parties taken collectively shall as far as possible be comprised of insurance supervisors reflecting a balance of geographical areas and supervisory approaches.</p>	
<p>c) Secretariat</p> <p>Article 17: Secretariat</p> <p>(1) The Secretariat shall be directed by the Secretary General appointed by the Executive Committee, and shall act in accordance with the instructions of the Executive Committee.</p>	<p>“23. (a) The Secretariat is administered by one or more persons appointed by the Executive Committee and in accordance with the instructions of the Executive Committee. ...”</p>
<p>(2) The main responsibilities of the Secretariat shall be the following:</p> <ul style="list-style-type: none"> (a) to support activities of the Association, in particular regarding standard setting and standard implementation; (b) to ensure efficient communication among Members and Observers and others; (c) to maintain and reinforce the Association; (d) to facilitate cooperation with other institutions; (e) to manage the financial, material and human resources of the Association in a proper way and in accordance with the authorised budget; and (f) to carry out all other functions that are assigned by the Executive Committee. 	<p>33. The Secretary administers the Secretariat, and:</p> <ul style="list-style-type: none"> (a) keeps the records and minutes of the Executive Committee and of the Association in General Meetings; (b) ensures that the by-laws are updated as necessary; (c) examines applications for membership or observers and makes recommendations accordingly; (d) assists the Executive Committee in its functions; and (e) executes all other functions that are assigned to him or her by the Executive Committee. <p>35. The reports of the Association Conference and all other records of the Association are kept at the offices of the Secretariat of the Association.</p>

<p>(3) The expenses for the operation of the Secretariat shall be borne by the Association.</p>	<p>34. The expenses for the operation of the Secretariat are the responsibility of the Association.</p>
<p>Article 18: Annual Conference</p> <p>(1) The Association shall hold an Annual Conference annually or at such other interval as the General Meeting may determine. The languages of the Annual Conference shall be at least English, French and Spanish. An Annual Conference may be held in conjunction with the Annual General Meeting referred to in Article 13 or at such other time as determined by the General Meeting.</p> <p>(2) Subject to conditions set out by the Executive Committee, which includes the payment of a registration fee, persons who are neither Members nor Observers may attend the whole or any part of the Annual Conference.</p> <p>(3) The Annual Conference is directed by the representative of the Member hosting the Conference, in collaboration with the Chair of the Executive Committee and the Secretariat. If needed the Executive Committee may appoint another person to direct the Annual Conference.</p>	<p>Association Conference</p> <p>36. Members shall meet annually or at such other periods as may be determined by the General Meeting. One of the languages of the Association Conference shall be English. An Association Conference may be held in conjunction with the General Meeting referred to in by-law 21 or at such other time as determined by the General Meeting.</p> <p>37. Members of the public may attend the Association Conference provided they meet the conditions (including payment of registration fees) set by the Association in General Meeting on the recommendation of the Executive Committee. The Executive Committee may determine certain sessions to be closed to members of the public.</p> <p>38. The Executive Committee is, subject to the directions of the Association in General Meeting, responsible for the preparation of the program of the Association Conference.</p> <p>39. The Association Conference is directed by a Chairperson, who shall be the person in charge of insurance supervision of the Jurisdiction hosting the Conference, and two Vice-Chairpersons, being the Chairperson of the immediately preceding Association Conference and the Chairperson of the next ensuing Association Conference. The Executive Committee shall in addition appoint a Conference Director.</p> <p>40. The duties of the Chairperson consist of:</p> <ul style="list-style-type: none"> (a) presiding over sessions of the Association Conference; (b) ensuring that the Association Conference functions efficiently. <p>41. A Vice-Chairperson designated by the Chairperson acts on</p>

	<p>behalf of the Chairperson during his or her absence.</p> <p>42. The Conference Director acts on behalf of the Chairperson when the Chairperson and both Vice-Chairpersons are absent.</p> <p>43. The duties of the Conference Director consist of:</p> <ul style="list-style-type: none"> (a) coordinating the activities of the Association Conference in accordance with the program envisaged in by-law 29(c) in cooperation with the Secretariat; (b) ensuring secretarial and reproduction work; and (c) keeping the minutes of the Conference which shall be approved by the Association in General Meeting.
<p>IV. Final Provisions</p> <p>Article 19: Indemnification</p> <p>(1) The General Meeting may decide, on the recommendation of the Executive Committee, that the Association will indemnify current or former Officers of the Association against costs and charges in respect of a civil, criminal or administrative proceeding to which he/she is made a party of by reason of being or having been an Officer of the Association, if that person acted honestly and in good faith in fulfilment of his/her duties with a view to the best interests of the Association.</p> <p>(2) The Executive Committee shall establish reasonable limits on the indemnification provided and it may purchase and maintain insurance to cover this risk. The Executive Committee may advance funds to current or former Officers of the Association to cover the cost of his/her involvement in a proceeding.</p>	<p><New></p>
<p>Article 20: Dissolution</p> <p>The Members at a General Meeting may at any time decide to dissolve the Association. Liquidation shall be carried out by the Executive Committee unless entrusted by the General Meeting to other persons. Any surplus assets of the Association shall be applied</p>	<p><New></p>

in accordance with a decision taken by the General Meeting that dissolves the Association.	
Article 21: Financial Year The financial year shall run from 1 January to 31 December.	<New>
Article 22: Governing Law and Dispute Resolution (1) The laws of Switzerland shall govern these By-laws. (2) All disputes arising in connection with these By-laws shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as in force on the day on which these By-laws were approved by Members at the General Meeting. The number of arbitrators shall be three; the seat of arbitration shall be Basel, Switzerland; the language to be used in the arbitral proceedings shall be English.	<New>
(3) These By-laws shall come into effect on 7 October 2004 and shall replace the By-laws approved by the General Meeting on 8 December 1999.	<New>
<Deleted>	3. The objectives and by-laws of the Association may, (a) after 90 days' written notice to members, be amended by a majority of members of the Association present in a General Meeting; or (b) after 30 days' written notice to members, be amended by a two-thirds majority of members of the Association present in a General Meeting; or (c) a modification of any amendment proposed in terms of paragraph (a) or (b) may be approved by a majority of members of the Association present in a General Meeting.
<Deleted>	32. The Chairperson of the Executive Committee may invite any other person to take part in its deliberations.
<Deleted>	47 The Secretariat is responsible for the preparation of an Annual Report of the Association, which includes:

	<ul style="list-style-type: none">(a) a summary of the activities of the Association during the year;(b) a report of the Association Conference proceedings containing a brief summary of activities, the final reports of workshops, and the list of documents presented during the Conference which are available on request from the Secretariat;(c) the audited financial statements of the Association, which shall cover the period of the Association's financial year extending from 1 January to 31 December of every year;(d) the list of all the members of the Association referred to in bylaw 6. <p>48. The Annual Report is prepared for the period extending from 1 January to December 31 of every year.</p> <p>49. A copy of the Annual Report is sent to each member and to each observer.</p>
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Annex 3: Template for providing comments

Comments on the Proposed IAIS By-laws

Name of Organisation : _____
Contact person and details : _____

Article / Paragraph No.	Comments/ Proposed Edits