

# Public consultation on DEI supervisory guidance – the governance, risk management and culture perspective

## Survey response 1

Please provide your information:

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Do you agree with your responses being made public on the IAIS website?

Yes

General comments on the Application Paper

On behalf of the International Actuarial Association (IAA), Its Diversity and Inclusion Task Force would like to thank the International Association of Insurance Supervisors (IAIS) for the opportunity to comment on the Draft Application Paper on supervising diversity, equity and inclusion: the governance, risk management and culture perspective.

We congratulate the IAIS on the detail included in the paper and particularly on the recognition that diversity, equity and inclusion (DEI) has direct implications on governance and insurance risks associated with regulated entities. It is this type of approach which will serve to elevate and centralise the DEI considerations for regulated entities. The Task Force also notes that the relevant dimensions of DEI may vary across regions and so it is important that global organisations avoid being overly prescriptive in this regard. Accordingly, the Task Force supports the Draft Paper's recognition of the importance of cultural differences in assessing DEI initiatives.

Overall, we believe that the IAIS document presents a great balance by offering positive guidance and suggestions rather than being prescriptive. This is especially true in the way the paper recognizes that requiring reporting on overly specific components of a DEI program might have the unintended consequence of inhibiting enthusiasm and effective innovation.

The IAA Task Force strongly agrees with the Draft Application Paper's conclusions regarding the importance of DEI in ensuring a positive corporate culture and a sound risk management framework in the operations of an insurer. We encourage the IAIS to continue this effort to advance the concepts of diversity, equity and inclusion and their importance in the monitoring of insurance operations by insurance supervisors. Highlighting the importance of diversity of experience and thought, in addition to demographic diversity, should enable insurance supervisors to more thoroughly evaluate an insurer's corporate culture, governance and risk management strategies.

The IAA looks forward to further papers and research by the IAIS on this important area of corporate culture.

## Comments by section

Comments on section 1 Introduction

Comments on section 1.1 Context and objective

Comments on Box 1 Interpretation of the terms diversity, equity and inclusion in this paper

Comments on section 1.2 Related work by the IAIS

Comments on section 1.3 Proportionality

Comments on section 2 Why DEI within an insurer matters to ICPs 7, 8 and corporate culture

Comments on Box 2 What is groupthink and why does it matter to insurers?

Comments on section 3 What should a supervisor look out for?

Comments on section 3.1 Relevant matters to look at

Comments on section 3.2 Warning signs an insurer might need to enhance its DEI efforts

Comments on Box 3 What is DEI-washing?

Comments on Box 4 Indicators of positive action on DEI at an insurer

Comments on section 4 What can a supervisor do in response?

Comments on section 4.1 Industry-wide approach

Comments on section 4.1.1 Use of soft powers

Comments on section 4.1.2 Incorporating DEI themes into supervisory approaches

Comments on section 4.1.3 Develop requirements

Comments on section 4.2 Insurer-specific engagement

Comments on section 4.2.1 Understanding an insurer's approach to DEI

Comments on section 4.2.2 Undertake review work to examine DEI related arrangements and plans

Comments on Box 5 Collecting and using data as part of a DEI strategy

Comments on section 5 Conclusion