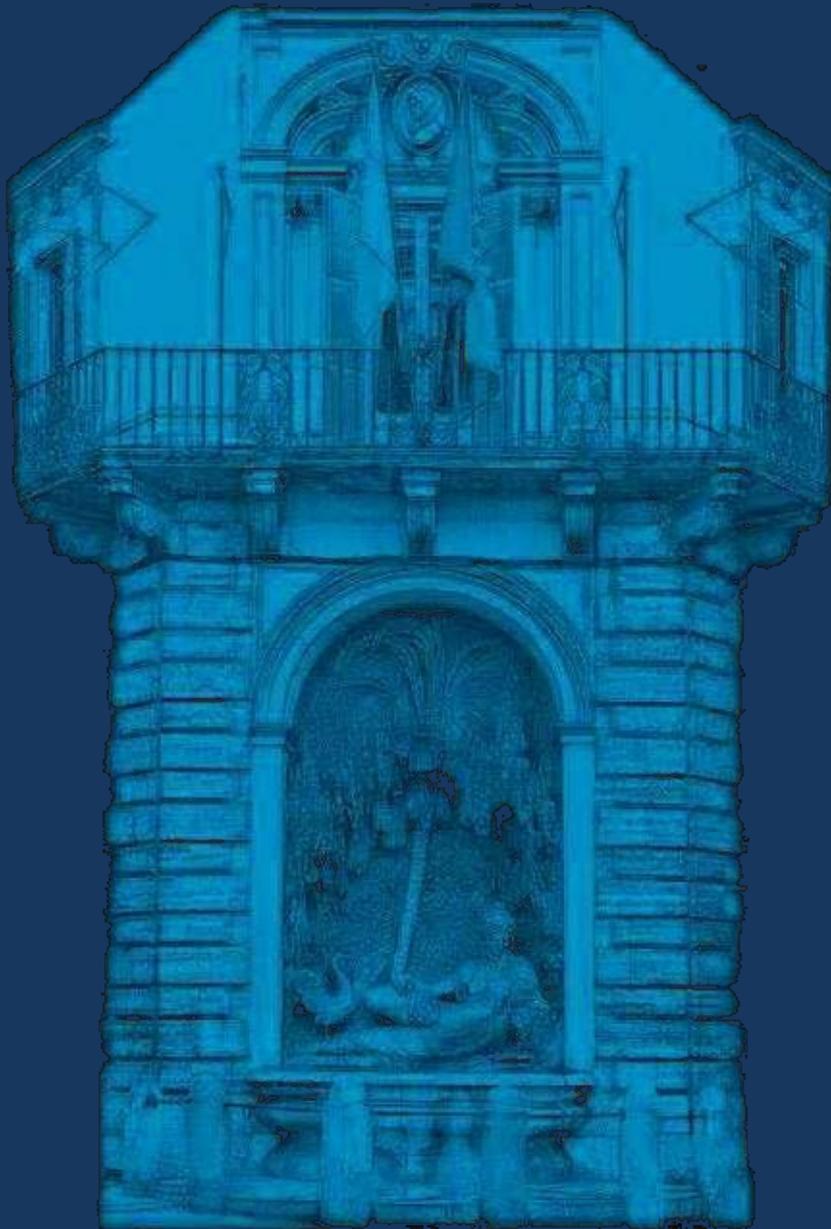




IVASS
ISTITUTO PER LA VIGILANZA
SULLE ASSICURAZIONI



Strategic plan 2021 - 2023



The IVASS Strategic Plan for the three-year period 2021-2023 aims at completing the reinforcement of institutional activities and promoting a proactive participation of the insurance industry in the economic development of the country.

The main strategic lines include: tightening supervision and customer protection; the promotion of actions to increase the offer of insurance protection to businesses and consumers; the contribution of companies to sustainable economic development; encouraging digital innovation in the insurance system; promoting the Institute's human capital and the development of its organisation, including new forms of remote working.

IVASS President

“IVASS 2021-23”

STRATEGIC OBJECTIVES AND LINES OF ACTION

In the difficult economic situation caused by the pandemic, without prejudice to its role as a supervisor attentive to the solvency of companies and the protection of policyholders, IVASS intends to pay particular attention to the contribution that the insurance system can make to the economic recovery of the country. It will promote discussions and solutions that can help reduce the current protection divide between the national insurance system and the rest of Europe.

The Institute will continue to pursue the sound and prudent management of insurance and reinsurance undertakings; guarantee their transparency and fairness towards customers; promote the stability of the system and of the financial markets; contribute to the changes in international and Italian provisions.

IVASS will also be active in governing the technological development of the insurance sector. The evolution of the markets and the strong push towards digitalization are in fact profoundly changing models, processes and products of the insurance sector and the very habits of consumers. This requires a strengthening of controls on the dynamics of technological development, data governance and cyber risk, but also the definition of innovative supervision methods. The Institute intends to strengthen its function in protecting insurance service customers.

As the supervisory authority of an evolving sector, IVASS intends to vigorously pursue its institutional mission of guaranteeing an adequate level of protection for policyholders, seeking to grasp in advance the evolutionary dynamics in action and reinforcing its ability to adopt timely and effective interventions.

On the subject of internal administration, IVASS wants to continue on the path of managerial and organisational innovation started since 2013, investing in its human capital and innovation, while monitoring costs, response times and risks.

Four strategic objectives for the three-year period 2021-2023 have been identified through a process involving the corporate functions, which we intend to pursue by following the lines of action indicated in the following pages.

1. Strengthen supervisory action and protection of insurance service customers

1.1 Consolidate the risk-based system of micro-prudential supervision

The objective is organised along the following lines of action:

- intensify analysis of corporate governance, remuneration policies, control functions and corporate information systems
- strengthen the processes for supervising the internal models developed and the appropriate use of specific parameters by the companies
- increase on-site audits of operators' information systems and digital processes

Persons in charge: Head of the Prudential Supervision Directorate and Head of the Inspection Directorate

1.2 Develop macro-prudential supervision and cooperation with the other Authorities

The objective is organised along the following lines of action:

- implement analytical and supervisory approaches to systemic risk, identifying and implementing solutions consistent with the new powers granted to the Institute with regard to financial stability
- revise legislation in the macro-prudential field and strengthen cooperation with other supervisory bodies, including international ones, for the adoption of coordinated solutions for the mitigation of systemic risks

Person in charge: Head of the Supervisory Regulations and Policies Directorate

1.3 Extend tools and methodologies for supervising market conduct, with particular reference to the design, distribution and management of insurance products

The objective is organised along the following lines of action:

- define new tools for analysing and monitoring both non-life and life insurance products
- reinforce insurance product governance supervision and life product distribution oversight
- increase the use of innovative investigation methods on the adequacy of conduct during the distribution of insurance products, including through digital channels

Person in charge: Head of the Market Conduct Supervision Directorate

- enhance on-site checks on operators' market conduct, paying particular attention to POG regulations and the risk of misselling insurance products

Person in charge: Head of the Inspection Directorate

1.4 Launching the Insurance Arbitrator and ensuring its proper functioning

The objective is organised along the following lines of action:

- launching the Insurance Arbitrator's activities by defining a system of procedures to guarantee information exchanges and synergies with the Institute's other structures and with the other alternative dispute resolution systems already operating in the credit and financial products sector

Person in charge: Head of the Consumer Protection Directorate

1.5 Ensuring the effective management of complaints, the qualitative and quantitative analysis of the relevant data and the sharing of information with the other structures of the Institute

The objective is organised along the following lines of action:

- intensify the analysis of complaints and reports, by combining the management of individual cases with a systematic approach aimed at intercepting critical issues regarding products, policies and business processes
- define periodical outputs deriving from the analysis of complaints, for the sharing of information with the other structures of the Institute and for the formulation of proposals for consumer protection

Person in charge: Head of the Consumer Protection Directorate

1.6 Increase the effectiveness of crisis management and consolidate the new sanctioning process.

The objective is organised along the following lines of action:

- improve the efficiency of compulsory winding-up procedures, also considering the evolution of international regulations on the subject
- actively participate in international conferences on Recovery and Resolution and Insurance Guarantee Schemes and collaborate in national regulatory implementation initiatives
- implement a structured system for monitoring the impact of the recent changes to the sanctioning process, also in the light of the first legal applications in this area

Persons in charge: Head of the Sanction and Winding up Directorate; Head of the Supervisory Regulations and Policies Directorate; Head of the Secretariat Office of the President and the Board of Directors and Head of the Legal Services Office

1.7 Enhancing the processing and use of data for supervisory activities

The objective is organised along the following lines of action:

- implement specific tools, including automated ones, to elaborate indicators and analyses supporting prudential supervision and market conduct supervision

Persons in charge: Head of the Research and Data Management Directorate, Head of the Market Conduct Supervision Directorate, Head of the Prudential Supervision Directorate

2. Contribute to national and international regulatory developments also with a view to increasing the insurance industry's contribution to the resilience of the national system and sustainable economic development

2.1 Preside over the insurance regulation development at national and international level

The objective is organised along the following lines of action:

- actively support the work to review the Solvency II framework and the IDD Directive and the alignment of insurance supervision at the European and international level
- follow the regulatory review activities at national level, with particular attention to issues related to consumer protection, corporate governance, environmental and social sustainability
- implement the Supervisory Guide on Market Conduct in line with evolving European approaches
- promote the simplification and rationalisation of the accounting regulations applicable to Italian insurance companies and bring the regulations in line with the international accounting standards for insurance contracts (IFRS 17)

Persons in charge: Head of the Supervisory Regulations and Policies Directorate, Head of the Prudential Supervision Directorate, Head of the Market Conduct Supervision Directorate and Inspection Directorate

- contribute to and implement the evolution of the motor liability discipline and coordinate the activities to ensure that the New Estimator is fully operational

Person in charge: Head of the Research and Data Management Directorate

2.2 Actively contribute to the discussion on protection, sustainability, transition to a green economy and resilience to catastrophe risks

The objective is organised along the following lines of action:

- promote the role of the insurance industry in providing financial and demographic protection to consumers

- contribute to initiatives aimed at identifying forms of collaboration between the public and private sectors for new forms of protection against catastrophe risks and those arising from climate change
- follow the evolution of national and international regulations regarding the environmental sustainability and the transition to a green economy

Persons in charge: Head of the Supervisory Regulations and Policies Directorate, Head of the Secretariat Office of the President and the Board of Directors and Head of the Legal Services Office

2.3 Promote the reduction of underinsurance levels also through targeted insurance education initiatives and collaboration with the National Committee for the planning and coordination of financial education activities

The objective is organised along the following lines of action:

- strengthen insurance education through research and training programmes that involve an increasingly wide audience of citizens and the use of both traditional and innovative tools

Persons in charge: Head of the Consumer Protection Directorate and Head of the Secretariat Office of the President and the Board of Directors

3. Promote digital development in a modern consumer protection system

3.1 Monitor the evolution and impact of InsurTech-related issues, enhance digital development analyses and promote the exploitation of available information

The objective is organised along the following lines of action:

- investigate phenomena related to the digitisation process and increase dialogue with insurance and technology operators
- promote activities related to the development of innovative SupTech and RegTech tools in collaboration with the Bank of Italy and the academic world
- identify research initiatives on topics related to InsurTech and Artificial Intelligence aimed at increased consumer protection for aspects related to transparency, ethics, insurance inclusion

Control Room for financial and technological innovation

- actively participate in national and international forums to promote the regulatory conditions for the development of technological innovation in the insurance field and to adapt the secondary legislation with a view to simplifying the operational and regulatory requirements

Persons in charge: Head of the Supervisory Regulations and Policies Directorate, Head of the Prudential Supervision Directorate, Head of the Market Conduct Supervision Directorate and Head of the Research and Data Management Directorate

4. Enhancing human capital and innovating the organisation in terms of flexibility and efficiency

4.1 Invest in human capital, increasing synergies between the bonus system, training and professional development and collaboration with the Bank of Italy

The objective is organised along the following lines of action:

- plan and implement programmes to develop new skills in line with the evolution of professional requirements, intensifying the forms of collaboration with the Bank of Italy
- increase synergies between personnel management levers by defining a unitary framework aimed at promoting individual professional choices

Person in charge: Head of the Resource Management Directorate

4.2 Simplify management processes and operating rules of the Institute and regulate, from an evolutionary perspective, remote working and the rational use of working environments

The objective is organised along the following lines of action:

- increase the functionality of management systems by renewing them with a view to simplifying processes
- remodel the organisation of spaces and logistics, favouring greater flexibility of the organisational machine and taking into account the evolution of remote working legislation

Person in charge: Head of the Resource Management Directorate

4.3 Promote the development of IT tools for monitoring the use of resources and activities, also with a view to planning and management control

The objective is organised along the following lines of action:

- evolve the management control system into a model geared towards monitoring both the costs and the outputs of institutional activities
- increase the exploitation of information assets on the use of resources by using the opportunities offered by technology

Person in charge: Head of the Resource Management Directorate

4.4 Define ways of collaboration between corporate control functions with the aim of eliminating redundancies and making effective use of available information

The objective is organised along the following lines of action:

- implement a plan of action aimed at improving communication and cooperation between control functions and with Senior Management, by pooling available information and assessments

Person in charge: Head of the Internal Audit Office