
2011 IAIS Annual Conference

8:30 a.m., Thursday, September 29, 2011
Coex Convention Center, Seoul

WELCOME ADDRESS

KWON HYOUK-SE

Governor

Financial Supervisory Service

Greetings

Distinguished Guests, / and
Ladies and gentlemen,

Welcome to the 2011 Annual Conference.

I am delighted and honored / to welcome you / to
this year's meetings.

And I thank you all / for joining us here in Seoul.

Let me first extend my special thanks / to
Chairman Peter Braumüller, / Secretary General
Yoshihiro Kawai, / and the staff at the Secretariat
for the enthusiastic support we received / in
organizing this year's conference.

We have gathered / here at Coex Convention
Center, / the same venue for the G20 Summit /
that Korea hosted last November.

The Seoul Summit brought together / world
leaders to tackle global financial crisis / and act
in concert / in a true spirit of international
cooperation / to advance our common interests.

All of us are here today / in the very same spirit of partnership, / a special occasion / for insurance supervisors and the industry / to reaffirm the commitment / to safe and sound insurance.

The IAIS is a key global institution / that promotes sound insurance standards and practices / worldwide.

It is also setting strong agenda for the future / in concert with other international institutions / to contribute to financial stability.

All of us are here today / with a sense of shared responsibility, / and what takes place here has implications / far beyond our usual borders and boundaries.

So I applaud your participation / in this important gathering, / and I look forward to your continued engagement and support / for the work of the IAIS.

Korea's Insurance Industry

As you perhaps know well, Korea experienced two major financial crises / in 1997 and 2008 / that posed difficult challenges / to the insurance industry.

For example, / the 1997 crisis forced roughly a third of insurance providers / out of business.

And the 2008 crisis / led to worsening solvency with heavy investment losses / and falling premium income.

It is said that / misfortunes are a lot like knives / in that knives can either serve us or harm us / as we grab them by the handle / or by the blade.

Well, in our case, the choice was to grab the crises by the handle / and to restructure and revitalize the industry / by restoring financial soundness / and better managing risk.

Now, Korea' insurance industry / is the world's 9th largest / and looking to expand / beyond the home market.

IAIS Accomplishments

Ladies and gentlemen,

There are several important lessons to draw / from the 2008 global financial crisis.

The most obvious one / is that a global crisis requires a global, / not a national, / response.

Given our ever-growing interconnectedness / and risk of contagion / from any market in the world, acting in concert to tackle common problems / is simply a must.

So this year's emphasis on cross-border harmonization / and cooperation / takes on added significance.

In fact, the IAIS has been leading this effort / with a strong track record / of bold, forward-looking initiatives.

The ComFrame initiative, / an undertaking to set a common supervisory framework / for internationally active insurance groups, / is an example / of the IAIS demonstrating its leadership in global convergence / in insurance regulation and supervision.

The IAIS is also working on / more robust Insurance Core Principles / that together promote a globally accepted framework / for safe and sound supervision / of the insurance sector.

Much credit is due to the IAIS as well / for setting its sight / on the difficult / but necessary task / of establishing supervision standards / for systemically important insurance companies.

Supervision Agenda

In addition to the agenda I just noted / for insurance supervisors, / there are other issues / that I believe merit our attention.

One is greater recognition / of the need for micro-insurance / that provides a measure of security / low-income individuals and households need / in order to safeguard and advance / their economic interests.

Many would also agree / that it is a means / through which the insurance industry can contribute / to the important public policy / of promoting shared economic opportunities for all.

And, I believe that, / under IAIS leadership and encouragement for innovation, / micro-insurance can grow to produce / potentially significant benefits for all.

Another is a renewed emphasis / on consumer protection / from insurance supervisors.

With ever more complex insurance products / and inadequate consumer information, / the odds are that / many consumers make less than fully informed / insurance decisions.

So, I submit today / that insurance supervisors must assume responsibility / to maintain an effective consumer protection regime / that breeds confidence and trust / in the marketplace.

Supervisory practices and challenges / in protecting consumers / is a topic set for discussion later today.

And I am sure / that it will give us an opportunity / to explore more efficient / and more effective ways / to protect consumers than before.

I would also stress / the need for more aggressive enforcement / and cross-border cooperation / in combating insurance fraud.

The need is obvious / given the harm done / to innocent, honest consumers / and the corrosive, detrimental impact / on society at large.

With insurance fraud crossing borders / at a growing pace, / we will also need to step up / information exchange / and other cross-border collaboration / to prevent fraud at all levels.

Closing

In closing, / let me say that I am greatly privileged to deliver my welcome address / to such a special gathering this morning.

I once again extend my warmest welcome / to everyone / and hope you accomplish what you came for / at the conference.

I was told / that many of you had / a very fond memory / of the cultural and art events we organized / for the 2008 Committee Meetings.

We tried to do the same for this year / and very much hope / you enjoy your visit to Korea.

Our staff is eager to provide / any assistance you may require / for the conference.

So don't hesitate to let us know.

Ladies and gentlemen, / I thank you for giving us the privilege / to host year's conference / here in Seoul.

We sincerely welcome you. / Now, let's have a great conference!

Thank you.