

ROYAUME DU MAROC



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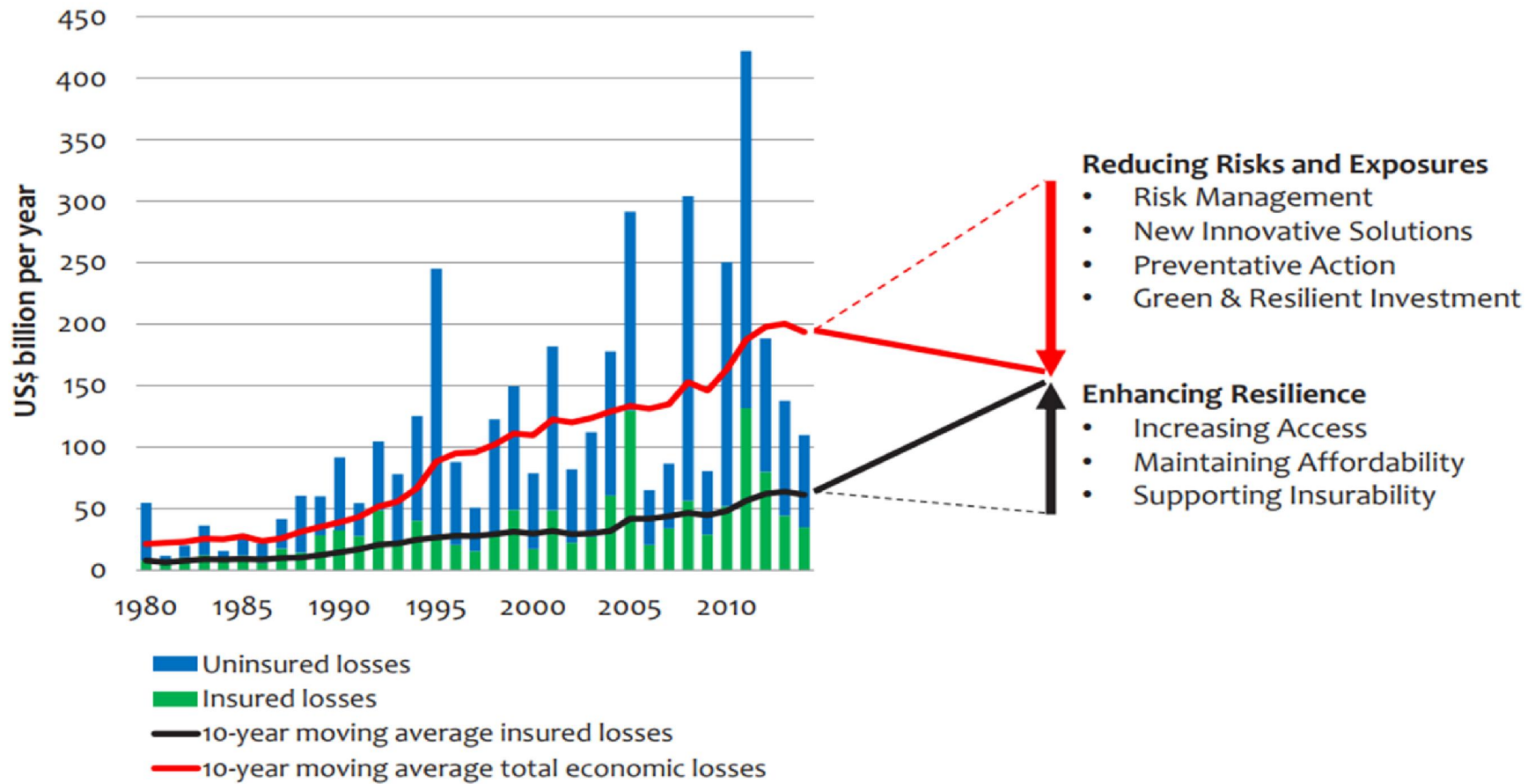
The importance of insurance regulation in building a resilient society

2017 Forum of the UNFCC Standing Committee on Finance
« Mobilising Finance for Climate-Resilient Infrastructure »
Rabat, 6-7 September 2017

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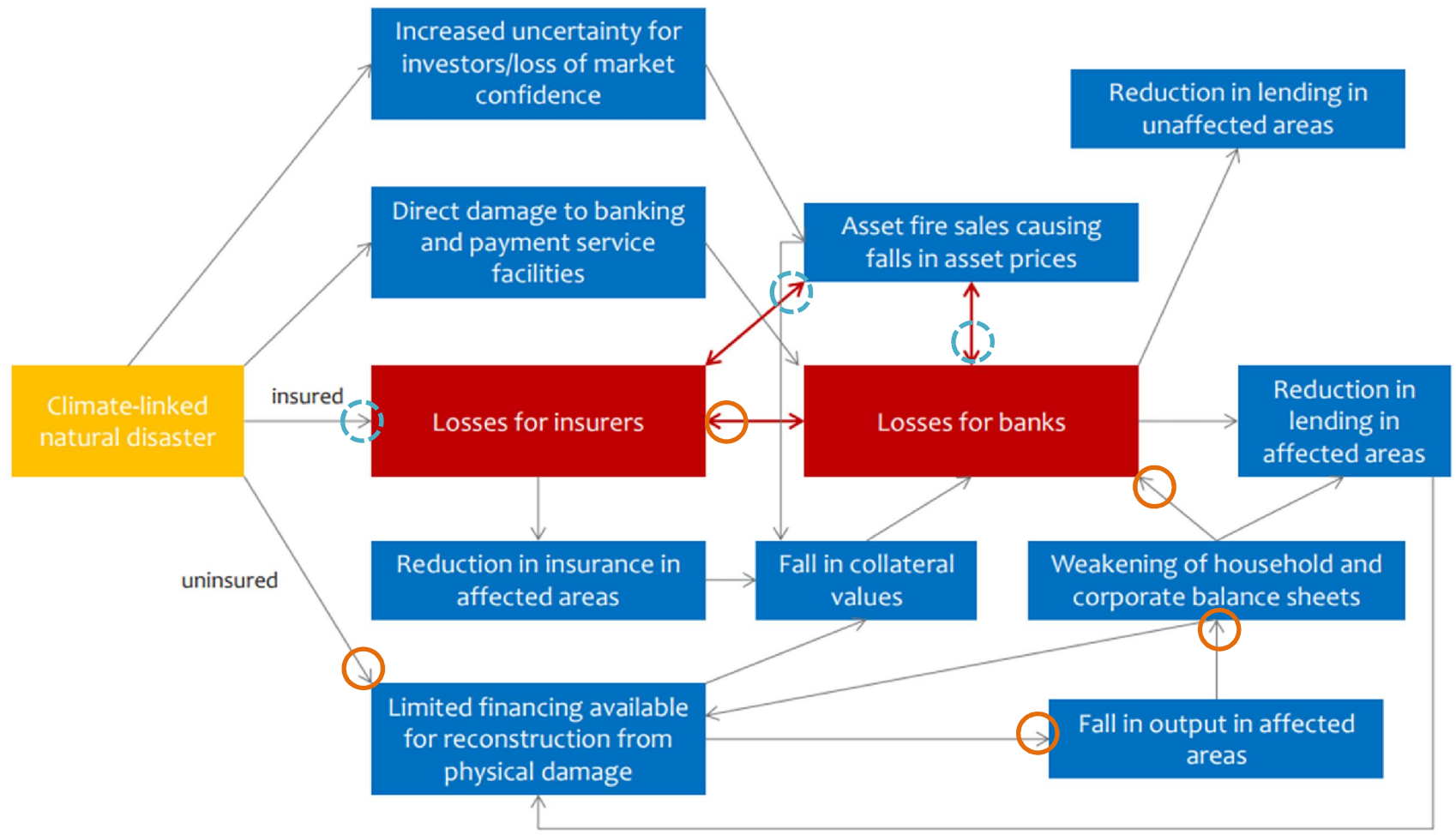
The Protection Gap : the challenge for firms and supervisors

Uninsured losses are a large and growing burden Natural catastrophe losses 1970 – 2015 (in 2015 USD billion)



The Protection Gap : insured and uninsured losses impact on the financial system

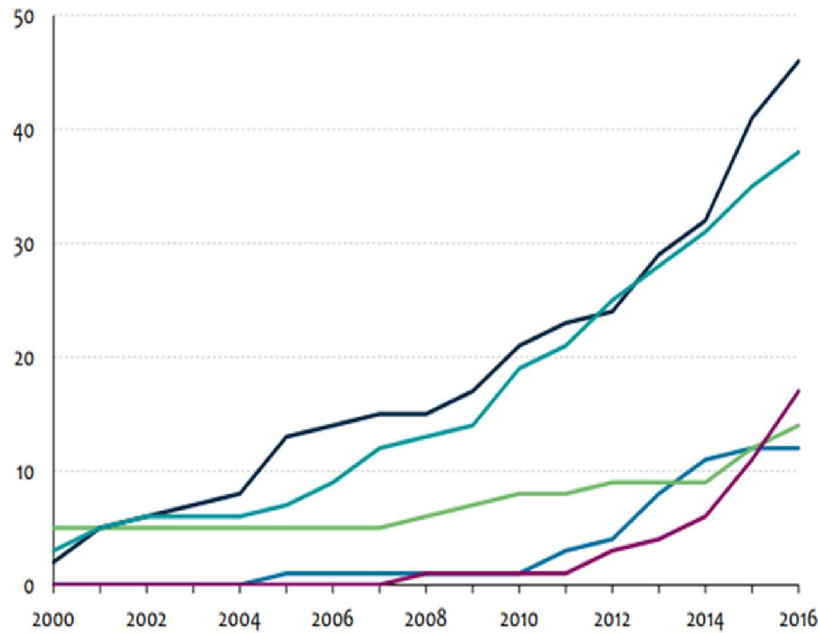
How insured and uninsured losses may cascade risks through the financial system



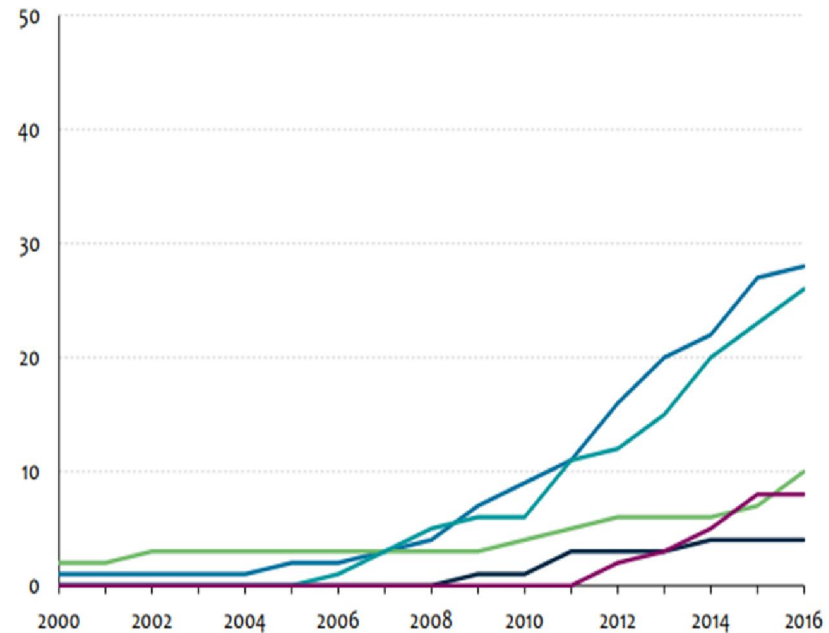
Policy and Regulatory Actions

The evolution of policy and regulatory measures for sustainable finance

Developed Economies

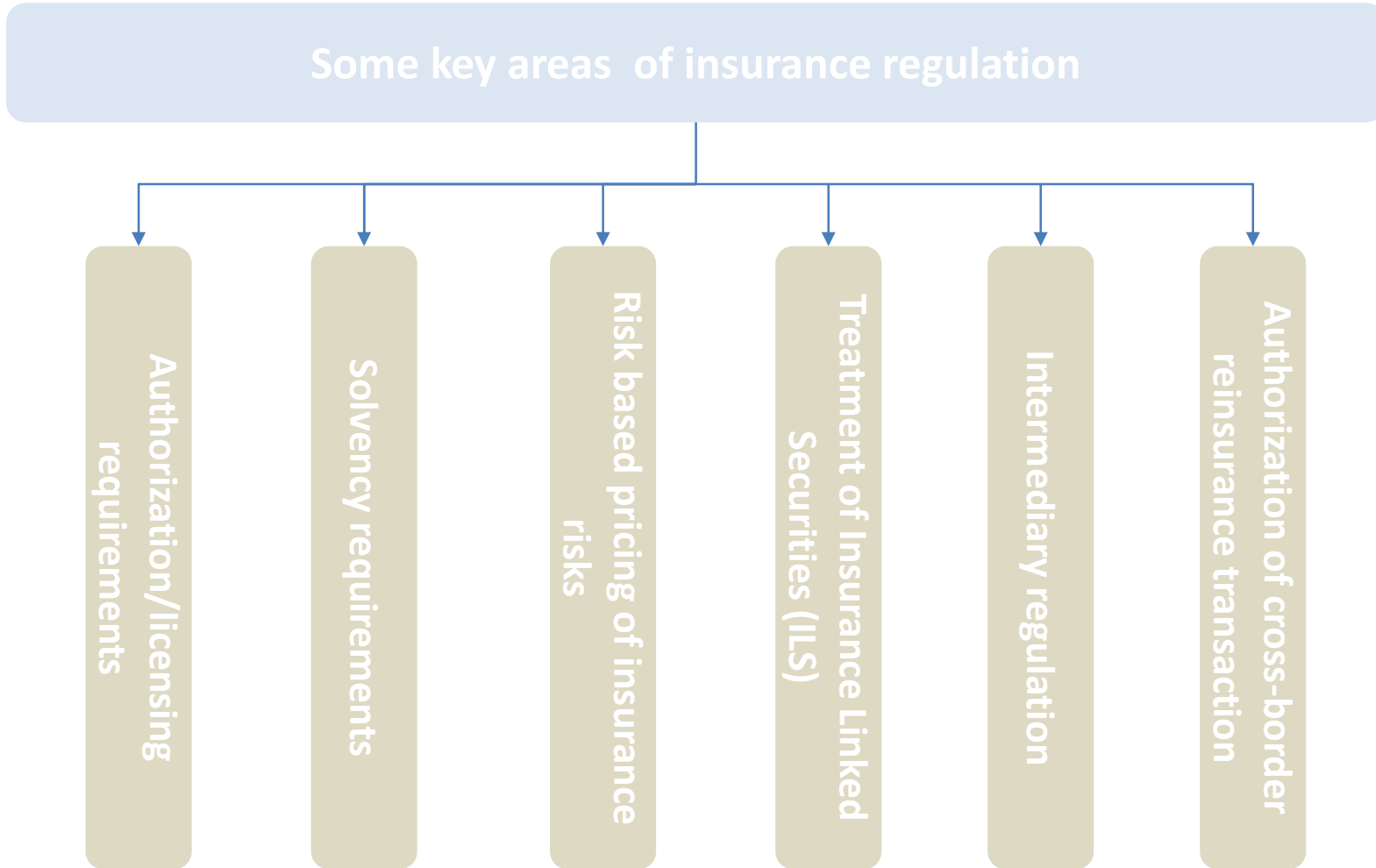


Developing and Emerging Economies



— Banking — Insurance — Investment — Securities — System

Insurance Regulation as a Cornerstone for Building A Resilient Society



The Role of Insurance Regulators (Supervisors) : beyond pure regulation

- The need for regulatory certainty;
- Deep knowledge of local markets;
- Capacity to help coordinate responses;
- Cooperation role with Governments...and other supervisors (role of Local, Regional and Global Regulatory bodies);
- Leveraging progress to enhance penetration;
- Combining micro with macro objectives.

The Moroccan Roadmap for the Financial Sector Alignment on Sustainable Development

Axe 1 :

The extension of risk-based governance to social and environmental risks

Axe 2 :

The development of sustainable financial instruments and products

Axe 3 :

The promotion of financial inclusion

Axe 4 :

Capacity building in the field of sustainable finance

Axe 5 :

Disclosure (transparency and market discipline)

The elaboration of the Moroccan roadmap for the financial sector alignment on sustainable development, has been coordinated by the Central Bank (Bank Al Maghrib), under the lead of the Chairman of the Scientific Committee for the COP22 and with the contribution of :

- Ministry of Finance;
- Moroccan Supervisory Authority of Insurance and Social Welfare (ACAPS);
- Capital Market Authority (AMMC);
- Casablanca Finance City Authority (CFCA);
- Moroccan Federation for Insurance and Reinsurance Companies (FMSAR);
- Casablanca Stock Exchange and
- the Professional Association of Moroccan Banks (GPBM).

Case study : Morocco

Establishment of a system to cover the consequences of catastrophic events



The triggering of the compensation process is conditional on the declaration of the catastrophic event by the Head of Government after the advice of the Committee for the follow-up of catastrophic events.

Mixed system:

- An insurance system for the benefit of persons who have taken out insurance contracts (by inclusion);
- An entitlement system that guarantees persons with no coverage a right to minimum compensation for personal injury and loss of principal residence (Solidarity Fund against catastrophic events).

Case study : Morocco



Beneficiary component

The Solidarity Fund against Catastrophic Events:

- Compensation for personal injury estimated on the basis of the scale applicable to victims of traffic accidents (max. 70% of the estimated loss);
- An allowance for persons whose principal residence is declared uninhabitable:
 - Allowance for the rehabilitation of the premises for the benefit of the owner (which may not exceed 70% of the reconstruction value or an amount fixed by the administration (\geq 250 000 Dirham));
 - Allowance for deprivation of use for occupants (6 months of rental value (minimum and maximum fixed by the administration)).

The Solidarity Fund against Catastrophic Events, in addition to an initial state grant, is financed mainly by the proceeds of parafiscal taxes.

Case study : Morocco

Insurance Component

The inclusion of the guarantee against the consequences of catastrophic events is obligatory in:

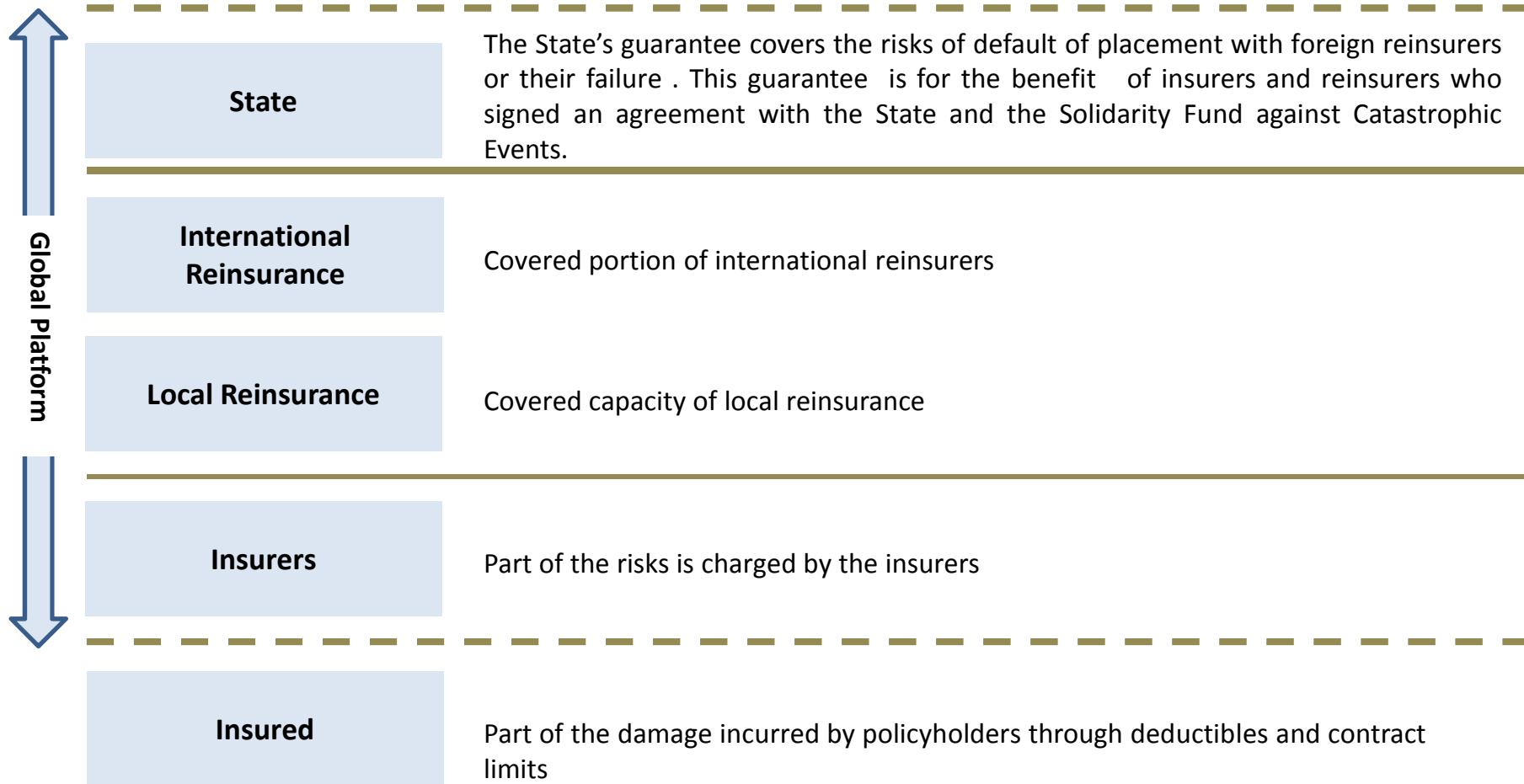
- **Property insurance contracts;**
- **Insurance contracts covering Automobile Liability** (covered in the following cases):
 - Damage to the vehicle;
 - Personal injuries suffered by passengers at the time of the accident;
 - Personal injuries suffered by the owner's family members (regardless of where they are).
- **Corporate Liability Insurance contracts** : in this case, the compulsory insurance covers personal injuries suffered by persons in the insured premises at the time of the accident.

An overall maximum per-event and per-year indemnity limit, as well as contractual limits and deductibles, are set by regulation.

Case study : Morocco



Global scheme of insurance coverage



The UN Environment partnership.

The Sustainable Insurance Forum:

- **Objective:** The global platform for international collaboration among supervisors, seeking to strengthen understanding of and responses to sustainability issues
- **Launch:** December 2016, San Francisco, USA – Participants from Brazil, California, France, Ghana, Jamaica, Morocco, Netherlands, Singapore, the UK, as well as IAIS
- **Six-track work programme agreed for 2017:**
 - i. Disclosure;
 - ii. Access & Affordability;
 - iii. Sustainable Insurance Roadmaps;
 - iv. Climate Risks to Investments;
 - v. Disaster Risk Reduction;
 - vi. Capacity Building for Supervisors.



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