



**To:** Roberto Gualtieri, Minister of Economy and Finance

**Date:** 2 December 2020

**Subject:** Global Federation of Insurance Associations support for Italian G20 presidency

Dear Mr Gualtieri,

I am writing on behalf of the Global Federation of Insurance Associations (GFIA) which, through its 41 members and 1 observer, represents companies that account for almost 90% of the world's insurance premiums. The global insurance industry plays a key role in society, providing risk coverage for individuals, businesses and economies as a whole.

Since 2012, GFIA has held meetings with each successive G20 presidency to discuss the role the insurance industry can play in achieving their objectives. At the same time, GFIA has become a close partner for the annual G20 Insurance Forum, which was a central feature of the G20 agenda under the Japanese and Argentine presidencies. Ahead of the Italian G20 presidency, I would like to highlight a number of priority areas for the global insurance industry, which can serve the G20's primary objectives.

COVID-19's impact has been cross-sectoral and international. The need to address the economic and societal challenges it has created or amplified will likely shape the G20 agenda for years to come. Even as the pandemic continues, efforts are underway on recovery and insurers are helping to "build back better". Resilience is a watchword for our industry and we have long worked with governments and other stakeholders to mitigate and prepare for, for instance, the rising physical damage caused by changes in climate or the evolving nature of crippling cyber attacks.

GFIA encourages the G20 to adopt a long-term perspective in responding to COVID-19. The pandemic has already caused significant economic hardship for citizens and businesses, and it is also highly likely that many of the pandemic's consequences will take time to materialise. It is therefore vital that a long-term perspective is adopted in developing proposals to foster economic recovery and to support the well-being of society as a whole.

GFIA would therefore support any focus by the G20 on long-term investment as a way to support growth and productivity in the global economy and to continue the work done in this area by past G20 presidencies. As one of the largest institutional investors in the world, the insurance industry has more than \$30 trillion of assets available for investment in bonds, equity, infrastructure and elsewhere. Insurance products such as surety can also offer a financial backstop for infrastructure projects, as well underwriting discipline that can help ensure projects are a success.

Equally important is the need to look into the challenges created by ageing societies. At the centre of the discussion is the availability of long-term savings/pension products that are suitable for consumers. In an ageing global society,



ensuring a diversified, multi-pillar pension landscape and incentivising private savings is crucial. Regulators must ensure that insurers can continue to play their role in providing long-term savings products, as well as longevity and morbidity risk protection products, for increasing global longevity.

The global insurance industry can also provide significant support for governments' efforts to promote sustainability and mitigate the effects of climate change through their expertise in risk management, as well as their ability to invest in long-term sustainable assets.

Insurers also have a genuine interest in developing sustainable international trade. Many insurance companies either already operate cross-border or have plans to expand internationally in the future. GFIA shares the view that international economic and financial cooperation has a key role to play in fostering inclusive and sustainable growth, and that open, well-regulated insurance markets allow the optimum geographic and economic spread of risk and underpin long-term economic growth. In seeking ways to foster inclusive and sustainable growth, GFIA welcomes the G20's continued leadership on climate risk.

In addition, the insurance industry is at the forefront of innovation, embracing technology to strengthen the global economy and facilitate access to financial services. Insurers have been working closely with regulators to facilitate the transition to digital operations which has accelerated due to COVID-19. Insurers also play an important role in supporting economic resilience through cyber insurance products and underwriting.

GFIA is also an active ally in the drive to improve financial inclusion and increase citizens' financial resilience through its members' educational efforts and their standard and microinsurance products, which increase access to financial services for the unserved and underserved segments of society in both developed and developing economies.

The global insurance industry stands ready to support Italy during its G20 presidency and the GFIA leadership would greatly appreciate the opportunity to meet with the Italian G20 leadership in 2021.

Yours sincerely,

Don Forgeron  
GFIA President