



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Compiled Stakeholders' Comments on *Consultation on ICP 3* with resolutions

| Organisation | Jurisdiction | Confidential | Answer | Resolution of comments |
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| 1 - Q1 General Comment on ICP 3 | | | | |
| 1. ABIR Association of Bermuda Insurers & Reinsurers | BERMUDA | No | The Association of Bermuda Insurers and Reinsurers (ABIR) appreciate the opportunity to submit comments. | Noted with appreciation. |
| 2. Insurance Europe | Europe | No | <p>Insurance Europe welcomes the opportunity to comment on the revised ICP 3 and integrated ComFrame material. While supporting most of the provisions, Insurance Europe is concerned by two provisions around disclosure of the information exchanged. Specifically:</p> <ul style="list-style-type: none"> • Insurance Europe believes that the information received by authorities, bodies and persons should be covered by the obligation of professional secrecy; as opposed to confidentiality. While the IAIS Multilateral Memorandum of Understanding (MMoU) protects sensitive information to the appropriate extent (ie, a guarantee of professional secrecy), there is no such strong level of confidentiality explicitly recommended in ICP3. Consequently, individual MoUs as referred to in this ICP may not have a similarly rigorous requirement. Though ICP3 does require confidentiality, Insurance Europe considers the requirement of confidentiality to be of a lesser legal power than the obligation of professional secrecy. In fact, in a number of jurisdictions professional secrecy is an absolute principle that has no limitation in time and from which one of the parties | <p>Noted with appreciation.</p> <p>Professional secrecy is addressed in ICP 2. The ICPs operate collectively, thus the requirements set out in ICP 2 are relevant to the other ICPs. ICP 3 allows for use of the IAIS MMoU, or tailored bilateral or multilateral MoUs, which can reference or otherwise accommodate professional secrecy. Reference thus is not needed in the text of ICP 3.</p> |

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| | | | <p>cannot be discharged by the other party.</p> <ul style="list-style-type: none"> In addition, Insurance Europe believes that the existence of an agreement should be a prerequisite for sharing information. Insurance Europe believes that the exchange of information should happen as much as possible under the setting of a college of supervisors as this fosters convergence of practices, and transparency. In the event that there is no college of supervisors in place, the existence of an agreement of understanding on providing requested information should be a prerequisite for sharing information. | <p>IAIS does not believe this should be explicit in ICP 3. Noting the importance of information sharing agreements, information sharing can at times occur in the absence of such agreements. For instance, if there is an emergency situation (i.e., financial crisis) a requirement like this could limit supervisors' ability to communicate.</p> |
| 3. GDV - German Insurance Association | Germany | No | <p>Given the sensitivity of information shared in this context, we believe that the information shared and received by those authorities, bodies and persons should be upgraded to the obligation of professional secrecy.</p> <p>Furthermore, we believe that sharing information with authorities or bodies outside the college for motives other than supervision should be clearly restricted. If information leaves the college, in any case, the group must be informed that such a request had been made.</p> | <p>See response to comment 2.</p> <p>Noted. The requirement still exists for the requesting supervisor and the requesting authority to have a legitimate interest and – in case of a superior authority – valid supervisory purpose.</p> |
| 4. Global Federation of Insurance Associations | Global | No | <p>The consultation document rightfully recognizes that the protection of information is important to insurers and supervisors. However, our main concern with ComFrame integrated with ICP3 is that the provisions relating to information sharing and confidentiality should provide much stronger protection of confidential information.</p> | <p>Noted. There is no ComFrame text integrated with ICP 3.</p> |

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| | | | <p>Before information is shared with other financial authorities, the entity or enterprise whose information is being shared should be notified of the request, the reasons for the request, and contact details of the requesting authority.</p> <p>For supervisory authorities that hold confidential information of companies they supervise, GFIA believes these supervisors have an obligation to protect that information and to resist unnecessary access by other authorities. If supervisors become subject to legal proceedings to gain access to the confidential information, the entity or enterprise whose information is being sought should be notified as soon as possible about the proceedings, to allow the entity or enterprise to also take action to protect the information.</p> | <p>Not agreed. This type of communication does not happen now and could impede a supervisor's ability to communicate efficiently with other supervisors and authorities.</p> <p>No change. The standard covers information sharing between supervisory authorities and related confidentiality requirements. The situation described in the comment goes beyond the scope of ICP 3.</p> |
| 6. International Actuarial Association | International | No | <p>The re-written contents of ICP 3 are well organized, faithful to the intent of the ICP and are generic to both the supervision of insurers and insurance groups (including IAIG's).</p> <p>The proposed version of ICP 3 reads much better than the current version.</p> <p>As proposed by the IAIS, there seems no need for supplementary ComFrame material within this ICP.</p> | Noted. |
| 7. Canadian Institute of Actuaries | Ontario | No | <p>Although ICP 3 discusses sharing of information between supervisors and other authorities, it is unclear if the guidance on how information is expected to be shared between a supervisor and a non-regulated insurance entity should also be included in ICP 3. Some jurisdictions have a memorandum of understanding in place</p> | <p>Noted. ICP 3 concerns the sharing of information between supervisors, rather than the procurement of information by supervisors from entities (whether regulated or not). Jurisdictions may impose requirements in the case of a non-regulated entity providing information to a supervisor.</p> |

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| | | | between the supervisor and the non-regulated entity in order to facilitate information sharing. If this is addressed elsewhere, a cross reference would be helpful. | |
| 8. Swiss Re | Switzerland | No | <p>Kindly note this is a joint submission by Swiss Re and Zurich Insurance Group. Whilst the simplification and shortening of ICP3 is welcomed, there are some instances where the review process appears to have removed points from being explicitly stated which we believe to be important. In particular, we refer to the removal of language regarding the need for confidentiality agreements prior to information exchange (previously standard 3.5) and the removal of language explicitly stating that supervisors have “legal authority and power” to exchange information (3.1 and 3.2). These passages are particularly relevant given that digitalization and Big Data are increasing the challenge to adequately protect sensitive and confidential data held by insurers. Going forward, the challenge for regulators and supervisors will be striking a balance which allows insurers to innovate, whilst protecting policyholder and company data and information. Striking the right balance would however achieve the best possible policyholder outcome. It is therefore in the common interest that all parties handling such data, including supervisors, have sufficiently clear, consistent and robust data protection principles in place. We would therefore welcome reasons for deletion of this text. Where these concepts appear explicitly elsewhere in the ICP</p> | <p>With regard to the comment about the existence of confidentiality agreements prior to sharing information, please see response to comment 2.</p> <p>With regard to the removal of language stating that supervisors have legal authority and power to exchange information, please refer to ICP 2.</p> <p>With regard to the comment on reintroducing the requirement upon supervisors to inform other supervisors prior to taking action that could affect certain group entities, this topic is more appropriately addressed in ICP 25. See draft revised ICP 25.3.</p> |

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| | | | <p>(principle, standards or guidance), we would appreciate if IAIS points this out. If they do not, we would ask for consideration for reinsertion of the text, accounting for the above ideas.</p> <p>In addition, we note the removal of previous standard 3.3 on prior notification of action by a supervisor to supervisors of the group's entities. We would welcome reasons for the removal of this standard, as we have some concerns it may effect harmonization and effective coordination of Group supervision.</p> | |
| 9. Zurich Insurance Company Ltd. | Switzerland | No | <p>Kindly note this is a joint submission by Swiss Re and Zurich Insurance Group. Whilst the simplification and shortening of ICP3 is welcomed, there are some instances where the review process appears to have removed points from being explicitly stated which we believe to be important.</p> <p>In particular, we refer to the removal of language regarding the need for confidentiality agreements prior to information exchange (previously standard 3.5) and the removal of language explicitly stating that supervisors have "legal authority and power" to exchange information (3.1 and 3.2). These passages are particularly relevant given that digitalization and Big Data are increasing the challenge to adequately protect sensitive and confidential data held by insurers. Going forward, the challenge for regulators and supervisors will be striking a balance which allows insurers to innovate, whilst protecting policyholder and company data and information. Striking the right balance would however achieve the best possible policyholder outcome. It is therefore</p> | See responses to comment 8. |

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| | | | <p>in the common interest that all parties handling such data, including supervisors, have sufficiently clear, consistent and robust data protection principles in place.</p> <p>We would therefore welcome reasons for deletion of this text. Where these concepts appear explicitly elsewhere in the ICP (principle, standards or guidance), we would appreciate if IAIS points this out. If they do not, we would ask for consideration for reinsertion of the text, accounting for the above ideas.</p> <p>In addition, we note the removal of previous standard 3.3 on prior notification of action by a supervisor to supervisors of the group's entities. We would welcome reasons for the removal of this standard, as we have some concerns it may effect harmonization and effective coordination of Group supervision.</p> | |
| 11. MetLife, Inc | United States | No | <p>Please see our comment in response to Q. 19 and 28 of the Introduction and Assessment Methodology regarding the importance of an adding an Overarching Concept paragraph on Confidentiality in the Introduction to the ICPs and ComFrame.</p> <p>Given that ICP 3 currently has no corresponding ComFrame provisions, it is important that it be made clear that ICP 3 protections apply equally to all exchanges of information pursuant to ComFrame provisions.</p> | <p>This should be understood based on the manner in which the ICPs lay the basis and ComFrame builds on it, without the need to spell this out. No change needed.</p> |
| 12. National Association of Mutual Insurance Companies | United States | No | <p>Q1 General Comment on ICP 3</p> <p>NAMIC is supportive of the comments and concerns expressed by the Global Federation of Insurance Associations related to ICP 3. We have no additional issues to add.</p> | <p>Noted with appreciation.</p> |

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| <p>13. Institute of International Finance and the Geneva Association</p> | <p>United States/Switzerland</p> | <p>No</p> | <p>Whilst the simplification and shortening of ICP3 is welcomed, there are some instances where the review process appears to have removed points from being explicitly stated which the Geneva Association and Institute of International Finance membership feels are important.</p> <p>In particular, the removal of language regarding the need for confidentiality agreements prior to information exchange (previously standard 3.5) and the removal of language explicitly stating that supervisors have “legal authority and power” to exchange information (3.1 and 3.2).</p> <p>It is particularly relevant given that digitalization and Big Data are increasing the challenges to protect sensitive and confidential data held by insurers. Going forward the challenge for regulators and supervisors will be striking a balance which allows insurers to innovate whilst protecting policyholder and company data and information. This will achieve the best possible policyholder outcome. It is therefore in the common interest that all parties handling such data, including supervisors, have as robust and consistent data protection principles in place as possible.</p> <p>We would therefore welcome reasons for deletion of this text, where these concepts appear explicitly elsewhere in the ICP/standards and, if they do not, we would ask for consideration for reinsertion of the text, accounting for the above ideas.</p> | <p>See responses to comment 8.</p> |
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| | | | <p>In addition, we note the removal of previous standard 3.3 on prior notification of action by a supervisor to supervisors of the group's entities. We would welcome reasons for the removal of this standard, as we have some concerns it may effect harmonization and effective coordination of Group supervision.</p> <p>We feel that the impact of the revisions to ICP3 is significant on all other ICPs where cooperation and coordination among jurisdictions and authorities is required.</p> | |
| 14. ACLI | US | No | <p>In line with the apparent intent of the drafters, the ICPs should include express statements that any sharing of information among supervisors or between supervisors and insurers contemplated in the ICPs is subject to the confidentiality requirements in ICP 3 and relevant law.</p> <p>The ICPs should include express statements that any sharing of information between supervisors and insurers, like the sharing of information among supervisors, is subject to the confidentiality requirements in ICP 3 and relevant law.</p> <p>Throughout the ICPs, key terms should be defined and used consistently. (For example, this would avoid references to "relevant supervisors and authorities" in ICP 3 and references to "involved supervisors and authorities" in ICP 25.)</p> <p>There is overarching concern that proposed new ICP 3 does not expressly state that any supervisor that obtains or exchanges information may only do so subject to the supervisor's legal authority and powers under relevant law. Language to this effect in</p> | <p>See response to comment 8.</p> <p>The main distinction between relevant supervisors in ICP 3 and involved supervisors in ICP 25 is that the latter concerns supervisors involved is group-wide supervision, while the former concerns any supervisor that may be a recipient or a provider of confidential information.</p> |

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| | | | <p>existing ICP 3 is proposed to be deleted. There is concern that proposed new ICP 3 does not provide that its requirements are applicable to the sharing of information between supervisors and insurers, as contemplated in ICP's 9 and 25, and possibly other ICP's, as well as to the sharing of information among supervisors. Finally, while ICP 25 and other ICP's refer to "involved supervisors and authorities," ICP 3 refers "relevant supervisors and authorities." Accordingly, this paragraph should be modified to read as follows: "The supervisor obtains information from and shares information with involved supervisors and authorities and with insurers subject to the confidentiality, purpose and use requirements in ICP 3 and to the legal authority and power of the supervisor under relevant laws relating to confidentiality and professional secrecy, data protection and privacy, and procedural fairness."</p> <p>Corresponding changes to other paragraphs of ICP 3 should be made as necessary to make it clear that the confidentiality, purpose, and use requirements of ICP 3 extend to the sharing and exchange of information between supervisors and insurers as well as to the sharing of information among supervisors</p> | |
| 15. American Insurance Association | USA | No | <p>The consultation document rightfully recognizes that the protection of information is important to insurers and supervisors. However, the provisions relating to information sharing and confidentiality should provide much stronger protection of confidential information.</p> | Noted. |

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| | | | <p>Before information is shared with other financial authorities, the entity or enterprise whose information will be shared should be notified of the request, the reasons for the request, and contact details of the requesting authority.</p> <p>For supervisory authorities that hold confidential information of companies they supervise, AIA believes these supervisors have an obligation to protect that information and to resist unnecessary access by other authorities. If supervisors become subject to legal proceedings to gain access to the confidential information, the entity or enterprise whose information is being sought should be notified as soon as possible about the proceedings, to allow the entity or enterprise to also take action to protect the information.</p> | <p>See response to comment 4.</p> <p>ICP 3 covers information sharing between supervisory authorities and related confidentiality requirements. The situation described in the comment goes beyond the scope of ICP 3. No change needed.</p> |
| 16. Liberty Mutual Insurance Group | USA | No | ICP 3 is thoughtful and well written. The standards contained in this ICP reflect a balanced approach to the use of confidential information and cooperation among supervisors with respect to such use. The IAIS should similarly focus on improving the inter-relations among supervisors in other standard setting contexts, and not on developing prescriptive new substantive standards to be applied to insurers and insurance groups. | Noted. |

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| 17. Property Casualty Insurers Association of America (PCI) | USA | No | PCI endorses the comments of the Global Federation of Insurance Associations (GFIA). | Noted. |
| 2 - Q2 Comment on Standard ICP 3.1 | | | | |
| 18. Insurance Europe | Europe | No | See general comments in Q1 In addition, it should be made clear that the information requests are subject to purpose requirements – information relating to one insurance legal entity should not be shared with the supervisor of another insurance legal entity in another jurisdiction without a relevant reason. | Noted. This is adequately reflected in ICP 3.3. |
| 19. Swiss Re | Switzerland | No | It is noticeable that relevant language is proposed for removal which explicitly stated that supervisors have “legal authority and power” to obtain and exchange information. This removal could potential increase ambiguity around supervisors’ authority and powers, as well as supervisory consistency across jurisdictions. Whilst the “legal authority and power” may be a given in many jurisdictions, it is not necessarily reflective of worldwide practice. We would be grateful to know if this requirement can be found elsewhere. If it cannot, we feel it should be considered for reinstatement, accounting for the ideas stated in Q1. | See response to comment 8. |
| 20. Zurich Insurance Company Ltd. | Switzerland | No | It is noticeable that relevant language is proposed for removal which explicitly stated that supervisors have “legal authority and power” to obtain and exchange information. This removal could potential increase ambiguity around supervisors’ authority and powers, as well as supervisory consistency | See response to comment 8. |

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| | | | <p>across jurisdictions. Whilst the “legal authority and power” may be a given in many jurisdictions, it is not necessarily reflective of worldwide practice.</p> <p>We would be grateful to know if this requirement can be found elsewhere. If it cannot, we feel it should be considered for reinstatement, accounting for the ideas stated in Q1.</p> | |
| 21. Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>It is noticeable that relevant language is proposed for removal which explicitly stated that supervisors have “legal authority and power” to obtain and exchange information.</p> <p>This removal could potential increase ambiguity around supervisors’ authority and powers, as well as supervisory consistency across jurisdictions. The “legal authority and power” may be a given in many jurisdictions, it is not necessarily reflective of worldwide practice.</p> <p>We would be grateful to know if this requirement can be found elsewhere, as we could not. If it cannot, we feel it should be considered for reinstatement, accounting for the ideas stated in the answer to Q1.</p> | See response to comment 8. |
| 3 - Q3 Comment on Guidance ICP 3.1.1 | | | | |
| 22. ABIR Association of Bermuda Insurers & Reinsurers | BERMUDA | No | <p>3.1.1: Scope of information supervisor may request and share:</p> <ul style="list-style-type: none"> • “information on individuals involved or suspected of being involved, in criminal activities” may be broader in scope than what some jurisdictional laws and regulations would require for insurers; and (2) is also | <p>This listing is under a “may include” heading and is not meant to be a requirement or a complete listing.</p> <p>The underlying jurisdiction’s laws apply so, if there are differences, than that information may not be available.</p> |

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| | | | <p>overly broad and vague in connection with the phrase “suspected of being involved.”</p> <ul style="list-style-type: none"> • Should information on prospective strategy, business activities and business models be shared upon request? This type of information is usually of a competitive nature. • ‘specific information requested and gathered from a regulated entity, including relevant customer transactional information’ This may raise privacy concerns. • A regulator based in another jurisdiction should be required to request information only on the basis of a specifically relevant reason. | <p>This is addressed in ICP 3.3 requiring the requesting supervisor to have a legitimate interest and valid supervisory purpose.</p> <p>The reference to customer transactional data has been removed.</p> <p>This is addressed ICP 3.3.</p> |
| 23. Insurance Europe | Europe | No | <p>Insurance Europe has a number of concerns regarding the scope of supervisory information that may be requested and shared:</p> <p>The 1st bullet point, relating to information on prospective acquisitions or disposals, has the potential to raise insider trading concerns.</p> <p>The 6th bullet point, which relates to criminal activities, is too broad in scope. It appears to apply to any and to all individuals involved with an insurer. It also appears to apply to any criminal activities, carried out at any time. Insurance Europe suggests this be limited to certain individuals in positions of responsibility, and to particular criminal activities relevant to the carrying out of insurance business. This requirement must</p> | <p>This listing is under a “may include” heading and is not meant to be a requirement or a complete listing.</p> <p>Noted. Information shared by supervisors are subject of confidentiality requirements.</p> <p>Not agreed. The present wording provides necessary flexibility.</p> |

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| | | | <p>also be subject to the jurisdiction's rules on disclosure of spent convictions.</p> <p>Insurance Europe also recommends that the phrase "or suspected of being involved" be deleted from this bullet point, as it is too vague – it is unclear who holds the suspicion, or what basis there needs to be for the suspicion. The information request should be restricted to actual criminal convictions.</p> <p>The phrase "including relevant customer transactional information" should be removed from the 9th bullet point, as it has the potential to raise privacy concerns.</p> | <p>The reference to customer transactional information has been removed.</p> |
| 24. Allianz | Germany | No | <p>We object to information exchange w.r.t. "senior management". The term is not defined and the respective personnel is not subject to specific supervisory powers (other than Board Members and Key Persons in Control Functions).</p> | <p>See Glossary and ICPs 7 and 8 for the definition of Senior Management.</p> |
| 25. Global Federation of Insurance Associations | Global | No | <p>GFIA has a number of concerns regarding the scope of supervisory information:</p> <ul style="list-style-type: none"> o The 6th bullet point, requiring information on individuals involved or suspected of being involved, in criminal activities is likely to be broader in scope than the laws of the local jurisdiction require. As a general matter, the ICP and CF guidance should respect local law, rather than attempt to re-write it. The phrase "suspected of being involved" is also overly broad and vague. It appears to apply to any and all individuals within an insurer and could create due process issues. Furthermore, the criminal activity contemplated by this requirement should be narrow in scope and limited to core crimes. | <p>Not agreed. The present wording provides necessary flexibility.</p> |

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| | | | <p>o We question whether information on prospective strategy, business activities and business models should be shared upon request. Insurers operate in a competitive environment and have legitimate business reasons for keeping certain information secret. Unnecessary disclosure, even to supervisors, of sensitive, competitive information can cause irreparable harm. IAIS should give further consideration to including information about prospective and recent acquisitions, disposals of insurance business, and material, undisclosed insider-trading information.</p> <p>o The request for specific information requested and gathered from a regulated entity, including relevant customer transactional information may raise privacy concerns (9th bullet point).</p> <p>o We would not be supportive of allowing a local supervisor of a subsidiary insurer to request information about another insurer that is based in another jurisdiction without a specifically relevant reason.</p> | <p>See ICP 3.3 and ICP 3.4. It should not be assumed that information requested is automatically going to be shared without proper assessment of the request.</p> <p>The reference to customer transactional data has been removed.</p> <p>See ICP 3.3, which addresses this issue.</p> |
| 26. Insurance Ireland | Ireland | No | <p>Scope of information supervisor may request and share:</p> <ul style="list-style-type: none"> - "Information on individuals involved or suspected of being involved, in criminal activities" is (1) broader in scope than what US laws and regs would require for insurers; and (2) is also overly broad and vague in connection with the phrase "suspected of being involved". - "information on strategy, business activities | See response to comment 25. |

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| | | | <p>and business models including prospective and recent acquisitions or disposals of insurance business"- What about material undisclosed- insider trading concerns?</p> <ul style="list-style-type: none"> - Information on individuals or insurers involved/suspected of being involved. The manner in which this is written; it appears to apply to any and all individuals within an insurer which is overly broad and vague. We have concerns regarding 'suspected'. - Criminal act should be limited and narrow in scope to core crimes. - The phrase "suspected of being involved, in criminal activities" is overly broad. Suspected by whom? What criteria are being used for this? - 'specific information requested and gathered from a regulated entity, including relevant customer transnational information' This may raise privacy concerns? - We would not be supportive of allowing regulator of one of our individual licenced insurer to request information about another insurer- based in another jurisdiction without a specifically relevant reason. | |
| 28. Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>The first bullet reads: 'information on strategy, business activities and business models including prospective and recent acquisitions or disposals of insurance business', we are concerned that material undisclosed issues that are not disclosed to the public but are disclosed to the supervisor could lead to insider trading concerns.</p> <p>Information on individuals or insurers involved/suspected of being involved. The manner in which this is written; it appears to</p> | See responses to comments 23 and 25. |

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| | | | <p>apply to any and all individuals within an insurer which is overly broad and vague. We have concerns regarding 'suspected'.</p> <p>'specific information requested and gathered from a regulated entity, including relevant customer transactional information' We think this would give rise to privacy concerns.</p> | |
| 29. American Insurance Association | USA | No | <p>The guidance regarding sharing of information on individuals involved or suspected of being involved in criminal activities may be: (1) broader in scope than the laws of the local jurisdiction require and (2) overly broad and vague in connection with the phrase "suspected of being involved." As a general matter, the ICP and CF guidance should respect local law, rather than attempt to re-write it.</p> <p>We question whether information on prospective strategy, business activities and business models should be shared upon request. Insurers operate in a competitive environment and have legitimate business reasons for keeping certain information secret. Unnecessary disclosure, even to supervisors, of sensitive, competitive information can cause irreparable harm IAIS should give further consideration to including information about prospective and recent acquisitions, disposals of insurance business, and material, undisclosed insider-trading information.</p> | See responses to comments 23 and 25. |
| 4 - Q4 Comment on Guidance ICP 3.1.2 | | | | |

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| 30. ABIR Association of Bermuda Insurers & Reinsurers | BERMUDA | No | <p>'Relevant supervisors and authorities, whether in the same or a different jurisdiction, may include, but are not limited to:</p> <ul style="list-style-type: none"> • Law enforcement agencies' <p>Relevant supervisors and authorities with whom information is to be shared should only include supervisors and authorities that fall within the scope of IAIS Principles and Standards. Additionally, the relevant authorities should equally have the same confidentiality requirements.</p> | <p>Law enforcement agencies are listed in a number of jurisdictions as authorities. No change needed.</p> |
| 31. Insurance Europe | Europe | No | <p>Insurance Europe agrees with the sharing of information among insurance supervisors, supervisors responsible for banks and other credit institutions, supervisors responsible for investments, securities, financial markets and other sectors. In Insurance Europe's view, before information is passed on to authorities responsible for anti-money laundering or combating the financing of terrorism, the requesting authority must warn the undertaking that they have made such a request, explaining the motives behind it and providing their contact details. It is unclear why law enforcement agencies are included, and they should be removed from this list.</p> <p>In any case, Insurance Europe believes that the supervisory authority that passes on any information should notify the undertaking concerned, the motives of the sharing of information, and provide the contact details of the supervisors/authorities that have requested the information.</p> | <p>See response to comment 30.</p> <p>As regards money laundering cases, the IAIS does not agree that the insurer should receive any notification similar to what Insurance Europe recommended.</p> |
| 32. GDV - German Insurance Association | Germany | No | We totally agree with the sharing of information within the college among | See response to comment 31. |

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| | | | <p>concerned supervisors. However, we have doubts whether to enforce other bodies or persons outside the college to request information, for instance authorities responsible for anti-money laundering or combating the financing of terrorism or law enforcement.</p> <p>Before information to authorities, agencies or persons outside the college is shared, the group, in any case, must be informed that such a request had been made, explaining the motives behind the request and provide the contact details of the requesting authority or body.</p> | See response to comment 4. |
| 33. Global Federation of Insurance Associations | Global | No | <p>Before sharing confidential information, GFIA believes that the supervisory authorities should notify the entity or enterprise concerned, the motives of the sharing of information, and provide the contact details of the supervisors/authorities that have requested the information.</p> <p>Relevant supervisors and authorities with whom information is to be shared should only include supervisors and authorities that fall within the scope of IAIS Principles and Standards.</p> <p>It is unclear why law enforcement agencies are included, as they will have their own information gathering powers. They should be removed from this list.</p> | <p>See responses to comments 31 and 4.</p> <p>Each jurisdiction's applicable law governs with whom confidential information can be shared. mNo change needed.</p> <p>Law enforcement agencies are listed in a number of jurisdictions as authorities with whom confidential information may be shared. No change needed.</p> |
| 34. Insurance Ireland | Ireland | No | 'Relevant supervisors and authorities, whether in the same or a different jurisdiction, may include, but are not limited to; 'Law enforcement agencies' - Why is this included? | See response to comment 30. |

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| 35. MetLife, Inc | United States | No | <p>The term “relevant” regulator is not adequately defined. However 3.3 does require a requesting supervisor to have a legitimate interest and valid supervisory purpose in seeking information. Perhaps consider including a cross-reference, e.g., “Relevant supervisors and authorities (i.e., those meeting the requirements of ICP 3.3. Our comment to Paragraph 11 “Introduction and Assessment Methodology” is relevant here:</p> <p>“We acknowledge the reference in Paragraph 11 to the IAIS on-line Glossary and that work to amend the Glossary may take place at a later time when revisions to ICPs and the integration of ComFrame are further advanced. However, Paragraph 11 only refers to the ICPs, and it would be important to standardize terminology throughout the ICPs and ComFrame, and to ensure that there is Glossary definition for each term used. At present, there is inconsistent use of terms and definitions are lacking or appear in different sections, or different parts of sections, making definitions difficult to access. An example is apparent interchangeable use throughout the ICPs and ComFrame of the terms “relevant supervisor(s)” and “involved supervisor(s)”. While the context leads us to assume these are one and the same, only the term “involved supervisors” is defined in the current IAIS Glossary.” In addition, unlike other Sections, ICP/ComFrame Section 12 (Resolution) has its own definition section.”</p> | See response to comment 14. |
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| 36. Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>The term “relevant” regulator is not defined. However 3.3 does require a requesting supervisor to have a legitimate interest and valid supervisory purpose in seeking information. Perhaps consider including a cross-reference, e.g., “Relevant supervisors and authorities (i.e., those meeting the requirements of ICP 3.3 . . .”</p> <p>We reference our comment to paragraph 4 “Introduction and Assessment Methodology” to the effect that it would be useful to standardize and/or differentiate use of terms such as “relevant regulator” (e.g.: ICP 3) and “involved regulator” (e.g.: ICP 25) and other like terms used in the ICPs and provide a separate ICP definition section. We do note that a definition section is included for ICP/ComFrame Section 12 (Resolution).</p> | See responses to comment 14. |
| 37. ACLI | US | No | <p>While the term “relevant supervisors and authorities” is used in ICP 3, the term “involved supervisors and authorities,” is used in ICP 25 and other ICP’s. Similarly, different paragraphs of ICP 3 variously refer to “agreements on information sharing” (or “information sharing agreements”), “information exchange agreements,” and “coordination agreements,” while ICP 25 refers to “coordination agreements.” The ICP’s should be modified to provide for consistent use of terms.</p> | <p>See response to comment 14.</p> <p>Additional sentence was added at the end of ICP 3.2.1 to clarify a relationship between information sharing agreements and coordination agreements used in supervisory colleges.</p> |
| 38. Property Casualty Insurers Association of America (PCI) | USA | No | <p>The term “relevant” regulator is not defined here, nor is it clear who makes this determination. However, ICP 3.3 does require a requesting supervisor to have a</p> | See response to comment 14. |

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| | | | legitimate interest and valid supervisory purpose in seeking information. Perhaps consider including a cross-reference, e.g., “Relevant supervisors and authorities (i.e., those meeting the requirements of ICP 3.3 . . .”). It would be useful to standardize and/or differentiate use of terms such as “relevant regulator” (e.g.: ICP 3) and “involved regulator” (e.g.: ICP 25) and other like terms used in the ICPs and provide a separate ICP definition section. We do note that a definition section is included for ICP/ComFrame Section 12 (Resolution). | |
| 5 - Q5 Comment on Standard ICP 3.2 | | | | |
| 39. Insurance Europe | Europe | No | See general comments in Q1 | Noted. |
| 40. Allianz | Germany | No | We disagree that the supervisor should share information “at its sole discretion”. As outlined in ICP 3.1 and 3.3, information exchange in any direction must be subject to purpose or a legitimate interest. The latter must be duly defined in the law applicable to the supervisor. ICP 3.2 is worded too broadly and contradicts 3.1 and 3.3. | “Sole discretion” references the requirement for the primary regulator to make that decision and not its elected or appointed overseer. The supervisor’s provision of information is also subject to appropriate safeguards. No change needed. |
| 41. Swiss Re | Switzerland | No | See our response to Q2 above. The supervisor should keep policyholder interests and unintended consequences in mind when exercising its sole discretion. The proposed language (“SOLE discretion” and “APPROPRIATE safeguards”) introduces a level of ambiguity which could affect the predictability of supervisor behaviour and cooperation among them. We would | The guidance explains “appropriate safeguards”. No change needed. |

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| | | | therefore welcome further guidance, making the standard more tangible. | |
| 42. Zurich Insurance Company Ltd. | Switzerland | No | See our response to Q2 above. The supervisor should keep policyholder interests and unintended consequences in mind when exercising its sole discretion. The proposed language (“SOLE discretion” and “APPROPRIATE safeguards”) introduces a level of ambiguity which could affect the predictability of supervisor behavior and cooperation among them. We would therefore welcome further guidance, making the standard more tangible. | See response to comment 41. |
| 43. The Travelers Companies, Inc. | United States | No | <p>Confidentiality requirements need to be stated at the same level of the ICS and ComFrame hierarchy as information sharing requirements, as non-public insurer documents, materials or other information should be presumed to be proprietary and containing trade secrets. As such, the hierarchical structure of the current and proposed ICP/ComFrame language has not been effectively utilized to elevate the importance and prominence of confidentiality protections. In particular, the current and proposed ICP statement 3 itself contemplates that the sharing of information is subject to confidentiality requirements. However, none of the proposed standards include an express requirement to implement the high-level principle set in in statement 3.</p> <p>Therefore, we propose the following revised wording of the ICP 3.2 Standard:</p> <p>"The supervisor shares information, including non-public information, with relevant</p> | ICPs 1 and 2 address directly power and authority of supervisors so it does not need to be mentioned in other ICPs. The ICPs operate collectively, thus the requirements set out in ICPs 1 and 2 are relevant to the other ICPs. |

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| | | | supervisors and authorities at its sole discretion and subject to appropriate safeguards, provided that the relevant supervisors and authorities are bound by confidentiality agreements, agree in writing to maintain the confidentiality and privileged status of such non-public information, and have verified in writing the legal authority to maintain confidentiality." | |
| 44. Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>It is noticeable that relevant language is proposed for removal which explicitly stated that supervisors have "legal authority and power" to exchange information.</p> <p>This removal could potential increase ambiguity around supervisors' authority and powers, as well as supervisory consistency across jurisdictions. The "legal authority and power" may be a given in many jurisdictions, it is not necessarily reflective of worldwide practice.</p> <p>We would be grateful to know if this requirement can be found elsewhere, as we could not. If it cannot, we feel it should be considered for reinstatement, accounting for the ideas stated in answer to Q1</p> <p>The supervisor should keep policyholder interests and unintended consequences in mind when exercising its sole discretion as per ICP3.2. The proposed language ("sole discretion" and "appropriate safeguards") establishes a level of ambiguity which could affect the predictability of supervisor behavior and cooperation among them. We would welcome additional guidance to ICP3.2 with a</p> | See response to comment 43. |

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| | | | view to make the standard more tangible to all stakeholders. | |
| 45. ACLI | US | No | Contrary to the language of this paragraph, a supervisor may not have the legal authority to share information at his or her sole discretion under relevant laws or agreement(s). This paragraph should be modified to read as follows: “The supervisor shares information, including nonpublic information, with involved supervisors and authorities subject to appropriate safeguards and the supervisor’s legal authority under relevant laws and agreements.” | See response to comment 43. |
| 46. Property Casualty Insurers Association of America (PCI) | USA | No | The “appropriate safeguards” language should include a requirement not to disclose confidential information unless the recipient verifies it can and will protect the information. | See ICP 3.5, which addresses this issue. |
| 6 - Q6 Comment on Guidance ICP 3.2.1 | | | | |
| 47. ABIR Association of Bermuda Insurers & Reinsurers | BERMUDA | No | <p>Agreements on Information Sharing:</p> <p>‘Although the existence of an agreement or understanding is not a prerequisite for sharing information....’</p> <ul style="list-style-type: none"> • Existence of an MOU among all parties who have access to an insurer’s confidential information is critical and a prerequisite to the sharing of any such information. <p>Regardless of form, there should be a confidentiality agreement within a strict confidentiality regime that would apply to all forms of communication.</p> | The wording changed for “...may not be a prerequisite...”. Importance of information sharing agreements is also reflected in amended wording of ICP 3.2.1. See also response to comment 2. |

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| 48. Insurance Europe | Europe | No | <p>Insurance Europe believes that, for the purpose of supervision, information should be shared among supervisors as part of a college of supervisors. However, regardless of the existence of a college of supervisors, and regardless of the form of such an agreement or understanding, there should be a confidentiality agreement or understanding within a strict confidentiality regime that would apply to all forms of communication. Confidentiality requirements are critical and should be a prerequisite for the sharing of any information.</p> <p>In cases of passing on information to an authority for other motives than supervision (eg central banks, ministries of finance, etc.), Insurance Europe believes information can be shared with central banks and other bodies with a similar function in their capacity as monetary authorities where this information is relevant to their respective statutory tasks.</p> <p>In all other cases (eg authorities responsible for anti-money laundering, combating the financing of terrorism, etc.), Insurance Europe is of the opinion that information can only be passed on if there is a specific notification from the “requesting” authority to the firm concerned that it has made such a request, explaining the motives behind it and providing its contact details.</p> <p>In any case, Insurance Europe believes that the supervisory authority that passes on any information should notify the undertaking concerned, the motives of the sharing of</p> | <p>See response to comment 47.</p> <p>See ICP 3.3, which addresses this issue.</p> <p>See responses to comments 4 and 31.</p> <p>Not agreed. This goes beyond the scope of ICP 3, which relates to information sharing among supervisory authorities. In addition, while it may be relevant for an entity that information concerning this</p> |
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| | | | information, and provide the contact details of the supervisors/authorities that have requested the information. | entity has been provided to another supervisor, there are cases when supervisors need to cooperate in order to establish whether the entity is non-compliant with legal requirements. In such situation, the supervisors would want to restrict notifying the entity until there is certainty as to the outcome of the supervisory investigation. |
| 49. Global Federation of Insurance Associations | Global | No | Regardless of form, there should be a confidentiality agreement based upon a strict confidentiality regime that applies to all forms of communication. In all cases, the requested supervisor should require, as a prerequisite to information sharing, the confidential treatment of the information shared. Existence of an MOU among all parties who have access to an insurer's confidential information is critical and a prerequisite to the sharing of any such information. | See response to comment 47. |
| 50. Insurance Ireland | Ireland | No | Agreements on information sharing: 'Although the existence of an agreement or understanding is not a prerequisite for sharing information..' Regardless of form, there should be a confidentiality agreement within a strict confidentiality regime that would apply to all forms of communication. - Existence of an MoU among all parties who have access to an insurer's confidential information is critical and a prerequisite to the sharing of any such information. | See response to comment 47. |
| 51. MetLife, Inc | United States | No | We would recommend that a) the introductory sentence to 3.2.5. "Supervisors are responsible for ensuring the safe handling of information" be added as an introductory sentence to 3.2.1. b) the existence of an agreement or | Agreed. See response to comment 47. |

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| | | | understanding on providing requested information SHOULD be a prerequisite. | |
| 52. The Travelers Companies, Inc. | United States | No | <p>While the existence of an agreement or understanding on providing requested information may not be a prerequisite for sharing information among supervisors in a single jurisdiction, it is likely necessary for sharing among supervisors of different jurisdictions. The Solvency II regime is an illustration of this point. Under Solvency II rules, exchange of information with third-country supervisors (within or outside a supervisory college) requires a cooperation agreement that can only be concluded if the information to be exchanged is subject to guarantees of professional secrecy. Additionally, the existence of such agreements is good practice as it provides documentation of the terms under which information is shared and prevents misunderstanding by all parties involved.</p> <p>We recommend the following revised wording for ICP 3.2.1:</p> <p>“Although the existence of an agreement or understanding on providing requested information may not be a prerequisite for sharing information, particularly when sharing information among supervisors of the same jurisdiction, the supervisor should use agreements, including memoranda of understanding (MoUs), to facilitate sharing of information between relevant supervisors and authorities. Such agreements establish a framework to facilitate the efficient exchange of confidential information and document the</p> | <p>See response to comment 47.</p> <p>Partly agreed. See amended wording of ICP 3.2.1.</p> |

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| | | | types of information that will be shared as well as the terms and conditions under which the information can be shared.” | |
| 53. Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>We would recommend that</p> <p>a) the introductory sentence to 3.2.5. “Supervisors are responsible for ensuring the safe handling of information” be added as an introductory sentence to 3.2.1.</p> <p>b) We ask the IAIS to change the language in this paragraph in order to make the existence of an agreement or understanding on providing requested information a prerequisite.</p> | <p>See response to comment 51.</p> <p>See response to comment 47.</p> |
| 54. ACLI | US | No | <p>This paragraph should be modified: (i) by adding at the beginning the following sentence, that currently is in paragraph 3.2.5: “Supervisors are responsible for ensuring the safe handling of information.”; and (ii) to make it so that an agreement or understanding should be a prerequisite to the sharing of information. Accordingly, the paragraph should be modified in pertinent part to read as follows: “Supervisors are responsible for ensuring the safe handling of information. An agreement or understanding on providing requested information should be a prerequisite for sharing information. The supervisor should use agreements, including memoranda of understanding (MoUs) where there is a need to facilitate sharing of information between involved supervisors and authorities...”</p> | <p>See response to comment 47.</p> |

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| 55. American Insurance Association | USA | No | Regardless of form, there should be a confidentiality agreement based upon a strict confidentiality regime that applies to all forms of communication. Although there may not be an advance agreement or understanding on providing requested information, the requested supervisor should require, as a prerequisite to information sharing, the confidential treatment of the information shared. Existence of an MOU among all parties who have access to an insurer's confidential information is critical and a prerequisite to the sharing of any such information. | See response to comment 47. |
| 56. Property Casualty Insurers Association of America (PCI) | USA | No | We would recommend that a) the introductory sentence to 3.2.5. "Supervisors are responsible for ensuring the safe handling of information" be added as an introductory sentence to 3.2.1., and b) the existence of an agreement or understanding on providing requested information SHOULD be a prerequisite. | See response to comment 51. |
| 7 - Q7 Comment on Guidance ICP 3.2.2 | | | | |
| 57. Insurance Europe | Europe | No | See our response to Q6 In addition, Insurance Europe believes that where a supervisory authority in the college of supervisors shares information which is relevant to the supervision of the group on a bilateral or multilateral basis with some of the other supervisory authorities in the college of supervisors, the information should be made available to the group supervisor too. | See revised draft ICP 25.3.2. |
| 58. The Travelers Companies, Inc. | United States | No | The sharing of information beyond the requesting supervisor may not be allowed | Not agreed. ICPs 1 and 2 directly address power and authority so it does not need to be mentioned in |

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| | | | <p>under local law. The guidance material may also be misread as meaning that an agreement could establish a legal basis for the requesting supervisor to pass on the received confidential information. The phrase, “as well as the basis on which the confidential information may be passed on to other relevant supervisors and authorities”, should be revised to not conflict with local law.</p> <p>We recommend revised wording for the following sentence in 3.2.2:</p> <p>“Such agreements may set out the types of information to be shared, as well as the basis on which the confidential information may be passed on to other relevant supervisors and authorities to the extent permitted by applicable jurisdictional law.”</p> | <p>other ICPs. Supervisors implement the ICPs in line with their powers and authorities; the ICPs do not suggest otherwise.</p> |
| 8 - Q8 Comment on Guidance ICP 3.2.3 | | | | |
| 9 - Q9 Comment on Guidance ICP 3.2.4 | | | | |
| 10 - Q10 Comment on Guidance ICP 3.2.5 | | | | |
| 59. Insurance Europe | Europe | No | <p>Along the same lines as the response to Q1, Insurance Europe strongly suggests that the requirement of confidentiality be replaced by the obligation of professional secrecy.</p> | <p>See response to comment 2.</p> |
| 60. Global Federation of Insurance Associations | Global | No | <p>The first sentence of this paragraph, “Supervisors are responsible for ensuring the safe handling of confidential information,” should not be limited to the sharing of information within the supervisory college, but any sharing of information more generally.</p> | <p>Agreed. The sentence moved to ICP 3.2.1.</p> |

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| 61. American Insurance Association | USA | No | The first sentence of this paragraph, "Supervisors are responsible for ensuring the safe handling of confidential information," should not be limited to the sharing of information within the supervisory college, but the sharing of information more generally. | See response to comment 60. |
| 62. Property Casualty Insurers Association of America (PCI) | USA | No | We strongly support the confidentiality language in paragraphs 3.2.5 and 3.2.6. | Noted. |
| 11 - Q11 Comment on Guidance ICP 3.2.6 | | | | |
| 63. Insurance Europe | Europe | No | Insurance Europe agrees. However, in line with the comments to Q1, Insurance Europe suggests that the assurance of confidentiality is replaced by mechanism that ensures that the exchange of information is only permitted if the information to be disclosed is subject to guarantees of professional secrecy. | See response to comment 2. |
| 12 - Q12 Comment on Standard ICP 3.3 | | | | |
| 64. General Insurance Association of Japan | Japan | No | As information requests by the supervisor should be conditioned on a legitimate interest and valid supervisory purpose and the scope should not be limited to confidential information, "confidential" should be deleted or revised to "non-published". | Not agreed. The issue is confidential information. Public information, published or not, is available to anyone searching the public domain and would be released or provided regardless. |
| 65. MetLife, Inc | United States | No | Would there be circumstances in which the supervisor might share information not in response to a request (i.e., one supervisor volunteering or proactively providing information to another supervisor)? If so, we would suggest this be included in the ICP and that in that situation supervisors should have the same obligations as they have when information is shared in response to a request. | See new language at ICP 3.3.3. |

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| 66. The Travelers Companies, Inc. | United States | No | <p>A supervisor's regulatory authority is created by law and is limited in scope to only those areas granted to the supervisor by law. In researching the use of the term "legitimate interest", we found some problems associated with using it in the context of a public authority using it as the basis to discharge its functions. The term "legitimate interest" is defined as a legal standard used by a court in a legal proceeding and is generally used to determine whether a party has a specific stake in the legal issue that the court is hearing. Perhaps a better legal standard for the supervisor to rely on in performing his/her responsibilities is that certain functions are "in the public interest" or "in the exercise of official authority".</p> <p>We recommend revised wording in 3.3 as follows, along with replacing the term "legitimate interest" in this and other sections of the ICP statement:</p> <p>"The supervisor requesting confidential information (the requesting supervisor) may seek information from another relevant supervisor or authority in the exercise of official authority."</p> | "Legitimate interest" is a term that should be understood within the ICPs and IAIS MMoU review process and examples are provided in ICP 3.3.1. |
| 67. Institute of International Finance and the Geneva Association | United States/Switzerland | No | Would there be circumstances in which the supervisor might share information not in response to a request (i.e., one supervisor volunteering or proactively providing information to another supervisor)? If so, we would suggest this be included in the ICP and that in that situation supervisors should have the same obligations as they have | See response to comment 65. |

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| | | | when information is shared in response to a request. | |
| 68. Property Casualty Insurers Association of America (PCI) | USA | No | Would there be circumstances in which the supervisor might share information not in response to a request (i.e., one supervisor volunteering or proactively providing information to another supervisor)? If so, we would suggest this be included in the ICP and that in that situation supervisors should have the same obligations as they have when information is shared in response to a request. | See response to comment 65. |
| 13 - Q13 Comment on Guidance ICP 3.3.1 | | | | |
| 69. The Travelers Companies, Inc. | United States | No | <p>A supervisor's regulatory authority is created by law and is limited in scope to only those areas granted to the supervisor by law. In researching the use of the term "legitimate interest", we found some problems associated with using it in the context of a public authority using it as the basis to discharge its functions. The term "legitimate interest" is defined as a legal standard used by a court in a legal proceeding and is generally used to determine whether a party has a specific stake in the legal issue that the court is hearing. Perhaps a better legal standard for the supervisor to rely on in performing his/her responsibilities is that certain functions are "in the public interest" or "in the exercise of official authority".</p> <p>We recommend revised wording in 3.3.1 as follows, along with replacing the term "legitimate interest" in this and other sections of the ICP statement:</p> | See response to comment 66. |

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| | | | <p>“3.3.1 The supervisor’s ability to exercise official authority is granted by law and is subject to limitation; however, included in this authority is the ability to obtain information related to the entities within the scope of which the supervisor has been granted authority. For example:</p> <ul style="list-style-type: none"> • if the requesting supervisor only has the authority and responsibility to supervise intermediaries and not insurers, it may not have the authority to request information relating to an insurer; or • if the requesting supervisor requests information relating to an insurer that has no current or planned operations or other connections to the requesting supervisor’s jurisdiction, it may not have the authority to request such information.” | |
| 14 - Q14 Comment on Guidance ICP 3.3.2 | | | | |
| 15 - Q15 Comment on Guidance ICP 3.3.3 | | | | |
| 70. Property Casualty Insurers Association of America (PCI) | USA | No | Suggest adding a reference to policies and procedures for internal handling of information received (this is a topic considered during validation of IAIS MMoU applications). | Not agreed. The wording of ICP 3.3.3 deleted as too detailed and prescriptive. |
| 16 - Q16 Comment on Standard ICP 3.4 | | | | |
| 71. The Travelers Companies, Inc. | United States | No | Confidentiality requirements need to be stated at the same level of the ICP and ComFrame hierarchy as information sharing requirements, as non-public insurer documents, materials or other information | The assessment of confidentiality requirements is covered by the first bullet, which is further specified in ICP 3.4.2. Please also see ICP 3.2 and ICP 3.5. |

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| | | | <p>should be presumed to be proprietary and containing trade secrets. As such, the hierarchical structure of the current and proposed ICP/ComFrame language has not been effectively utilized to elevate the importance and prominence of confidentiality protections. In particular, the current and proposed ICP statement 3 contemplates that the sharing of information is subject to confidentiality requirements. However, none of the proposed standards include an express requirement to implement the high-level principle set out in the statement 3.</p> <p>To address this, we propose the following revised wording of the ICP 3.4 Standard:</p> <p>“3.4 The supervisor that has received a request for confidential information (the requested supervisor):</p> <ul style="list-style-type: none"> • verifies that the requesting supervisor or authority is bound by confidentiality requirements; • assesses each request for information on a case-by-case basis; and • responds to requests in a timely and comprehensive manner.” | |
| 72. ACLI | US | No | ICPs 3.8 and 3.9 in existing ICP 3, that are proposed to be deleted in new ICP 3, should be reinserted in proposed new ICP 3 in paragraph 3.4. | See response to comment 71. |
| 17 - Q17 Comment on Guidance ICP 3.4.1 | | | | |
| 73. Insurance Europe | Europe | No | Insurance Europe agrees. However, in line with the comments to Q6 Insurance Europe reiterates its strong preference that these | Not every group has a supervisory college and according to ICPs establishment of a supervisory college is not obligatory for every group. |

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| | | | exchanges of information occur under the framework of a college of supervisors. | |
| 74. Property Casualty Insurers Association of America (PCI) | USA | No | Add to this paragraph the following language, "provided that the requesting supervisor can appropriately and adequately protect any confidential or privileged information that is requested." | See response to comment 71. |
| 18 - Q18 Comment on Guidance ICP 3.4.2 | | | | |
| 75. Insurance Europe | Europe | No | In addition to consideration of whether the request is subject to a coordination agreement, the supervisor should also give consideration to the nature and extent of any confidentiality agreement in place. This should be included within the bullet points under 3.4.2. | This is already covered by the following bullet: "the ability of the requesting supervisor or authority to maintain the confidentiality of any information received, taking account of the IAIS MMoU or other existing agreements in each jurisdiction". See also response to comment 71. |
| 76. Global Federation of Insurance Associations | Global | No | In addition to consideration of whether the request is subject to a coordination agreement (3rd bullet point), the supervisor should also give consideration to the nature and extent of any confidentiality agreement in place. | See response to comment 75. |
| 77. MetLife, Inc | United States | No | Relevant laws that a supervisor should consider should include whether sharing might result in waiver of privilege (e.g., attorney-client or attorney work product) that otherwise attaches to information a company shares with its regulator. | Not agreed. In agreeing with the suggestion we would in fact extend the concept of attorney-client privilege beyond its intended boundaries of application. Information a firm shares with supervisors is covered by a legal requirement to submit it or by a legal power for the supervisor to request such information. As such, a firm that is in compliance with the reporting / information submission requirements cannot a) avoid reporting/information submission duties invoking such a privilege or b) make its submissions |

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| | | | | conditional on the supervisor agreeing to never share them further. |
| 78. The Travelers Companies, Inc. | United States | No | In general, we agree with the items that a supervisor should take into consideration in deciding whether and to what extent to fulfil a request for information. We recommend, however, that the ordering of the items should be changed so that the first item to be considered (and an understanding obtained) is the relevant laws and regulations in each jurisdiction. Accordingly, we recommend that the last sub-bullet be moved to be the first. | Noted. The order of the bullets was changed but the last bullet was kept at the end of the list, which does not diminish in any way importance of this item. |
| 79. Institute of International Finance and the Geneva Association | United States/Switzerland | No | In addition to consideration of whether the request is subject to a coordination agreement, the supervisor should also give consideration to the nature and extent of any confidentiality agreement in place. This should be included within the bullet points under 3.4.2. A supervisor should also be required to consider whether sharing might result in waiver of privilege (e.g., attorney-client or attorney work product) that otherwise attaches to information a company shares with its regulator. | See response to comment 75. See response to comment 77. |
| 80. ACLI | US | No | This paragraph should be modified to provide that: (i) the supervisor should consider relevant laws and regulations; and (ii) the relevant laws a supervisor should consider include laws relating to whether sharing might result in waiver of privilege. To emphasize its importance, last bullet of this paragraph, that relates to consideration of relevant laws and regulations, should be made a stand-alone sentence that reads as follows: “ In deciding whether and to what extent to fulfill a request for information, the | See response to comment 77. |

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| | | | requested supervisor should take into account relevant laws and regulations in each jurisdiction (in particular those relating to confidentiality and professional secrecy, data protection and privacy, procedural fairness and any laws that provide for waiver of privilege for certain sharing of information.” | |
| 81. American Insurance Association | USA | No | In addition to consideration of whether the request is subject to a coordination agreement (3rd bullet point), the supervisor should also give consideration to the nature and extent of any confidentiality agreement in place. This should be included within the bullet points under 3.4.2. | See response to comment 75. |
| 82. Property Casualty Insurers Association of America (PCI) | USA | No | <p>Relevant laws that a supervisor should consider should include whether sharing might result in waiver of privilege (e.g., attorney-client or attorney work product) that otherwise attaches to information a company shares with its regulator.</p> <p>Suggest swapping the order of the third and fifth bullets (or delete the bullet on coordination agreements). A coordination agreement may provide appropriate structures for sharing information within a supervisory college, but having the appropriate confidentiality agreements in place is a more important issue for exchange of confidential information.</p> | See response to comment 77. |
| 19 - Q19 Comment on Guidance ICP 3.4.3 | | | | |
| 83. ABIR Association of Bermuda Insurers & Reinsurers | BERMUDA | No | ‘Other relevant domestic financial sector bodies such as central banks law enforcement agencies, relevant courts and other authorities (see Annex B of the IAIS | An emergency situation could be something akin to financial crisis and determined at discretion of supervisor. This will be however very dependent upon the details of the actual circumstances and so |

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| | | | <p>MMoU)</p> <p>The language is too open-ended, given that an “emergency situation” is undefined. Guidance should provide some specificity about the authorities, to whom information may be released without a written request. Consistent with the language in IAIS’ MMoU, we suggest adding language to permit oral requests in an emergency from “other relevant domestic financial sector bodies, such as central banks, law enforcement agencies, and relevant courts” (see Annex B of the IAIS MMoU).</p> | <p>providing generalised examples in ICP guidance is unlikely to be helpful and may be misleading.</p> |
| 84. Insurance Europe | Europe | No | <p>In principle, Insurance Europe agrees except for the oral request. There should always be a trace of any request whichever means of communication was used to formulate them. A coordination agreement could foresee for example that any oral communication/request, be recorded.</p> | <p>Not agreed. As indicated in ICP 3.4.3, oral requests are the exception: “While requests for information should normally be made in writing, the requested supervisor should not insist on written requests in an emergency situation...” It is necessary in order to ensure efficient information exchange in such situations.</p> |
| 85. GDV - German Insurance Association | Germany | No | <p>There should always be evidence of any request made independent of the communication channel used. A coordination agreement could foresee for example that any oral communication/request should be recorded.</p> | <p>See response to comment 84.</p> |
| 86. Global Federation of Insurance Associations | Global | No | <p>The language is too open-ended, given that an “emergency situation” is undefined. Thus, the guidance should provide some specificity about the authorities, to whom information may be released without a written request. Consistent with the language in IAIS’ MMoU, we suggest adding language to permit oral requests in an emergency from “other</p> | <p>See responses to comments 83 and 84.</p> |

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| | | | <p>relevant domestic financial sector bodies, such as central banks, law enforcement agencies, and relevant courts” (see Annex B of the IAIS MMoU).</p> <p>In addition, there should always be an evidentiary trail of the request, regardless of the mode of communication. For example, an oral request can be recorded and documented via email. The coordination agreement should contemplate the different modes by which information may be requested.</p> | |
| 87. MetLife, Inc | United States | No | We suggest the following be added at the end of ICP 3.4.3 “...and provided confidentiality can be assured.” | Not agreed. The need for maintaining confidentiality during this process is already adequately reflected in the Principle Statement and Standards. |
| 88. The Travelers Companies, Inc. | United States | No | The approach described in this paragraph for addressing emergency requests for information puts the requested supervisor at risk of violating relevant laws and regulations. We believe a more appropriate approach is to have protocols in place for the sharing of information so that a written request can be addressed expeditiously. We recommend that this paragraph be re-written accordingly to require that a written request must follow an oral request without undue delay. | See response to comment 84. |
| 89. Institute of International Finance and the Geneva Association | United States/Switzerland | No | We suggest the following be added at the end of ICP 3.4.3 “...and provided confidentiality can be assured.” | See response to comment 87. |
| 90. ACLI | US | No | This paragraph should be modified by adding the following phrase at the end, after the | See response to comment 87. |

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| | | | word “supervisor” and before the “,”: “provided confidentiality can be assured.” | |
| 91. American Insurance Association | USA | No | In addressing emergency requests for information sharing, the language of the proposed guidance is too open-ended, given that an “emergency situation” is undefined. Thus, the guidance should provide some specificity about the authorities – for example, a central bank or law enforcement authority—to which information may be released without a written request. Regardless of whether the need for information sharing arises from an emergency or non-emergency situation, the insurer to which the information relates should always be notified. | See responses to comments 87 and 4. |
| 92. Property Casualty Insurers Association of America (PCI) | USA | No | We suggest the following be added at the end of ICP 3.4.3 “...and provided confidentiality can be assured.” | See response to comment 87. |
| 20 - Q20 Comment on Guidance ICP 3.4.4 | | | | |
| 93. Insurance Europe | Europe | No | Insurance Europe agrees. However, any request should be part of the information that the law constrains the insurer to provide to the supervisor. | Noted. ICPs 1 and 2 directly address power and authority so it does not need to be mentioned in other ICPs. Supervisors implement the ICPs in line with their powers and authorities; the ICPs do not suggest otherwise. |
| 94. Global Federation of Insurance Associations | Global | No | This paragraph allows the requested supervisor to obtain information from an insurer where it receives a request for confidential information. We agree with this suggestion insofar as it reduces the burden on the insurer to comply with information requests, and improves coordination between an involved supervisor and a group-wide supervisor. However, the information must be | See response to comment 93. |

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| | | | within the requested supervisor's powers to obtain. | |
| 95. American Insurance Association | USA | No | This paragraph allows the requested supervisor to obtain information from an insurer where it receives a request for confidential information. We agree with this suggestion insofar as it reduces the burden on the insurer to comply with information requests, and improves coordination between an involved supervisor and a group-wide supervisor. However, the information must be within the requested supervisor's powers to obtain. | See response to comment 93. |
| 21 - Q21 Comment on Guidance ICP 3.4.5 | | | | |
| 22 - Q22 Comment on Guidance ICP 3.4.6 | | | | |
| 96. The Travelers Companies, Inc. | United States | No | This paragraph provides vague and unclear guidance in that supervisors from different jurisdictions may have different ideas as to what constitutes a lack of strict reciprocity. We believe a more appropriate approach is to have protocols in place for sharing of information with relevant jurisdictions so that there is a clear understanding by the jurisdictions involved of what information will be shared and it can be shared expeditiously in emergency crisis situations. We recommend that this paragraph be re-written accordingly. | Noted. It is important for flexibility of information sharing. |
| 23 - Q23 Comment on Standard ICP 3.5 | | | | |
| 97. The Travelers Companies, Inc. | United States | No | Confidentiality requirements need to be stated at the same level of the ICP and ComFrame hierarchy as information sharing requirements, as non-public insurer | ICP 2 and ICP 3 requirements need to be read in conjunction i.e. the supervisory regime requirements mentioned in ICP2 need to be implemented having regard of the ICP3 provisions insofar as professional |

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| | | | <p>documents, materials or other information should be presumed to be proprietary and containing trade secrets. As such, the hierarchical structure of the current and proposed ICP/ComFrame language has not been effectively utilized to elevate the importance and prominence of confidentiality protections.</p> <p>Therefore, we propose the following revised wording of the ICP 3.5 Standard:</p> <p>“The requesting supervisor uses confidential information received from the requested supervisor only for the purposes specified when the information was requested, and shall maintain as confidential or privileged any documents, materials or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material or information.”</p> | <p>secrecy and confidentiality requirements are concerned.</p> |
| 24 - Q24 Comment on Guidance ICP 3.5.1 | | | | |
| 25 - Q25 Comment on Guidance ICP 3.5.2 | | | | |
| 98. Insurance Europe | Europe | No | Insurance Europe agrees. However, see also the response to Q6 | Noted. |
| 99. Global Federation of Insurance Associations | Global | No | We agree that supervisors and authorities should make requests of the requested supervisor rather than of the requesting supervisor. In the first sentence, the requesting supervisor should first obtain agreement with the requested supervisor before passing on the requested information. Thus, the last clause of the first sentence | Agreed. Change made. |

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| | | | should be deleted (i.e. “to another relevant supervisor or authority”). | |
| 100. Swiss Re | Switzerland | No | <p>We note the demotion of language regarding the need for confidentiality agreements prior to information exchange from previous ICP Standard 3.8 into proposed ICP Guidance 3.5.2.</p> <p>Digitalization and Big Data are increasing the challenge to adequately protect sensitive and confidential data held by insurers. Going forward the challenge for regulators and supervisors will be striking a balance which allows insurers to innovate whilst protecting policyholder and company data and information. Striking the right balance would however achieve the best possible policyholder outcome. It is therefore in the common interest that all parties handling such data, including supervisors, have sufficiently clear, consistent and robust data protection principles in place.</p> <p>We would therefore welcome reasons for demotion of this text and where these concepts appear explicitly elsewhere in the ICP (principle, standards or guidance). If they do not, we would ask for consideration for reinsertion of the text, accounting for the above ideas.</p> | <p>Confidentiality is mentioned in the Principle Statement of ICP 3: “The supervisor requests information from, and shares information with, relevant supervisors and authorities subject to confidentiality, purpose and use requirements.” It is not necessary to repeat the content of the Principle Statement in the standards, whose aim is to support implementation of the ICP statement. Confidentiality requirements are mentioned as one of the issues to be taken into account in considering a request for information in guidance ICP 3.4.2, which supports the standard ICP 3.4. Please also refer to resolution of comment 97.</p> |
| 101. Zurich Insurance Company Ltd. | Switzerland | No | <p>We note the demotion of language regarding the need for confidentiality agreements prior to information exchange from previous ICP Standard 3.8 into proposed ICP Guidance 3.5.2.</p> <p>Digitalization and Big Data are increasing the challenge to adequately protect sensitive and confidential data held by insurers. Going forward the challenge for regulators and</p> | See response to comment 100. |

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| | | | <p>supervisors will be striking a balance which allows insurers to innovate whilst protecting policyholder and company data and information. Striking the right balance would however achieve the best possible policyholder outcome. It is therefore in the common interest that all parties handling such data, including supervisors, have sufficiently clear, consistent and robust data protection principles in place.</p> <p>We would therefore welcome reasons for demotion of this text and where these concepts appear explicitly elsewhere in the ICP (principle, standards or guidance). If they do not, we would ask for consideration for reinsertion of the text, accounting for the above ideas.</p> | |
| 102. The Travelers Companies, Inc. | United States | No | <p>The process described in this paragraph may not be allowed by applicable law and/or regulation. To address this, we recommend that the wording be revised as follows:</p> <p>“The requesting supervisor first obtains agreement with the requested supervisor before passing on requested information to another relevant supervisor or authority to the extent allowed by applicable law and/or regulation. Supervisors and authorities are encouraged to request information directly from the requested supervisor, rather than from the requesting supervisor, to provide an opportunity for direct dialogue and further consultation. Supervisors should ensure that appropriate confidentiality requirements are in place and the information is only passed on to another relevant supervisor or authority with a legitimate interest and – in case of a</p> | See response to comment 58. |

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| | | | supervisory authority – for valid supervisory purposes.” | |
| 103. Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>We note the demotion of language regarding the need for confidentiality agreements prior to information exchange from previous ICP Standard 3.8 into proposed ICP guidance 3.5.2.</p> <p>Digitalization and Big Data are increasing the challenges to protect sensitive and confidential data held by insurers. It is in the common interest, and ultimately in the interest of policyholders, that all parties handling such data, including supervisors, have as robust and consistent data protection principles in place as possible. We urge the IAIS to include the requirement for a confidentiality agreement within a strict confidentiality regime that would apply to all forms of communication.</p> <p>We would therefore welcome reasons for demotion of this text, where this concept appears explicitly elsewhere in the ICP/standards and, if they do not, consideration for reinsertion of the text into the ICP standards.</p> | See response to comment 100. |
| 26 - Q26 Comment on Guidance ICP 3.5.3 | | | | |
| 104. Insurance Europe | Europe | No | This paragraph should emphasise that such sharing of information with others should only take place under the IAIS MMoU. See also the response to Q6. | Not every supervisor or authority will apply for MMoU signatory status. |
| 27 - Q27 Comment on Guidance ICP 3.5.4 | | | | |

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| 105. The Travelers Companies, Inc. | United States | No | <p>We agree with the concept contained in this paragraph, i.e., that the conditions imposed by the requested supervisor on the passing of information to third parties should not prevent the requesting supervisor from being able to use the information for its supervisory purposes. A requested supervisor may decide to limit the information provided to the requesting supervisor if there is concern about the conditions being honored by a third party. As a result, we believe a better approach would be that in such circumstances, the third party supervisor should be encouraged to instead request the information directly of the requested supervisor, consistent with paragraph 3.5.2.</p> <p>We recommend that this paragraph be revised as follows:</p> <p>“Conditions or restrictions imposed by the requested supervisor on the passing on of information to third parties may result in the requested supervisor being prevented from providing any or all of the requested information. To mitigate against such restrictions, supervisors and authorities are encouraged to request information directly from the requested supervisor, rather than from the requesting supervisor, to provide an opportunity for direct dialogue and further consultation.”</p> | The proposed wording is already included in ICP 3.5.2. |
| 28 - Q28 Comment on Standard ICP 3.6 | | | | |
| 106. Insurance Europe | Europe | No | Insurance Europe agrees and believes that this reinforces the point made throughout the responses that the requirement of a confidentiality agreement should be replaced | See response to comment 2. |

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| | | | by the requirement of professional secrecy which imparts more legal protection against the obligation to divulge “confidential” information. | |
| 107. Allianz | Germany | No | The requested supervisor must be required to assess whether the supervised entity needs to be informed of the information request. | Noted. It may be relevant to inform the insurer by the requested supervisor. This however goes beyond the scope of ICP 3, which relates to information sharing among supervisory authorities. In addition, while it may be relevant for an entity that information has been asked by another supervisor, there are cases when supervisors need to cooperate in order to establish whether the entity is non-compliant with legal requirements. In such situation, the supervisors would want to restrict notification of the entity until there is certainty as to the outcome of the supervisory investigation. |
| 108. MetLife, Inc | United States | No | Notice of proceedings should also be provided to the company to extent permitted by law. | See response to comment 107. |
| 109. Institute of International Finance and the Geneva Association | United States/Switzerland | No | Notice of proceedings should also be provided to the company to extent permitted by law. | See response to comment 107. |
| 110. ACLI | US | No | The first bullet of this paragraph should be modified to read as follows: “to the extent permitted by law, promptly notifies the requested supervisor and the insurer to which the information relates. | See response to comment 107. |
| 111. Property Casualty Insurers Association of America (PCI) | USA | No | Notice of proceedings should also be provided to the insurer to the extent permitted by law. | See response to comment 107. |
| 29 - Q29 Comment on Guidance ICP 3.6.1 | | | | |

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| 112. Insurance Europe | Europe | No | See question 28 | Noted. |
| 113. The Travelers Companies, Inc. | United States | No | <p>The supervisor may not be able to add protections to confidential information that is being disclosed by legal compulsion. Additionally, some jurisdictions may have designated certain information to not only be confidential but to also be “privileged by law”. When a supervisor is legally forced to disclose confidential information, the supervised entity should be immediately made aware of the forced disclosure so that the entity may take whatever legal means are available to protect the privilege and content of the information.</p> <p>We recommend this paragraph be revised as follows:</p> <p>“Where allowed by the laws and practices of the jurisdiction, a requesting supervisor required to disclose confidential information by legal compulsion should inform the supervised entity so that the entity may seek available legal remedies and place, or seek to place, protections from disclosure on that information. Such protections could include:</p> <ul style="list-style-type: none"> • a protective order placing restrictions on use or further distribution of the confidential information; or • limitations on the means and location of the disclosure of the confidential information.” | See response to comment 107. |