



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Compiled Comments on *Consultation on ICP 19: Conduct of Business*

30-Jun-17 to 30-Aug-17

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
1 - Q1 Comment on ICP 19				
1. World Federation of Insurance Intermediaries	Belgium	No	<p>General comments</p> <p>WFII welcomes the opportunity offered by the IAIS to provide feedback on the revised ICP19. Regulation should indeed always be developed in a transparent manner in close consultation with the industry.</p> <p>WFII welcomes the work of IAIS in setting high-level principles and standards as we are of the opinion that these should be applied in every country to all forms of insurance intermediation and distribution on the basis of a level playing field.</p> <p>However, WFII and its members have many times stated that they are always very concerned about prescriptive and too detailed language in principles drafted on an international level. We believe that too detailed rules are counterproductive and may stifle innovation or the development of business models which are in the interest of consumers. The more detailed the rules are the more difficult it is to apply them to a broad all-encompassing range of activities.</p> <p>The insurance intermediation sector is very different in character in different markets and we believe that consequently principles like the ICPs should stay on a high-level. It should be very clear to the national supervisors that the ICPs are principle-based and not rule-based and although the Introduction to the ICPs states that the guidance does not represent any requirements, we believe that adding extensive guidance with its many examples to the Principles and Standards, is rather confusing for the national supervisors. We urge the IAIS to bring the Principles to the high-level they are meant to have by removing the guidance to a lower level such as Application or Issues papers.</p> <p>In other words, we believe the ICPs should be a clear statement of the core areas of activity that should receive regulatory attention in each jurisdiction (the principles), and a clear statement of the outcomes the regulatory process should seek to achieve (the standards). It should then be up to individual countries to implement these requirements (principles and standards), with the help of many examples (the guidance) laid down in Application and Issues papers, in a manner that is consistent with their local</p>	Noted – see detailed comments below.

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			<p>laws and regulatory framework. Within that regulatory framework, firms should have the widest opportunity and discretion possible to compete, be innovative, be entrepreneurial, and develop and offer new, interesting and exciting products and services that help people and firms manage and finance their risks. We are in favour of these free market forces and are concerned about the increasingly intrusive nature of regulation that is extensively prescribed in the detailed guidance in these ICPs. This regulation adds costs to the process which must ultimately be carried by the consumer and which should be weighed up against the benefit(s) that consumers derive from this.</p> <p>In addition to what is being written in the introduction to all the ICPs, we would like to see that the Introduction specifically written for the ICP 19 gives more guidance to the supervisors on how to look at this ICP. We propose to insert the following:</p> <p>The insurance intermediation sector is very different in character in different markets. Consequently, the ICP will not be able to be universally applied in all instances and is to be seen as principle-based and not rule-based. For many jurisdictions, the content or the equivalent of the ICP have already been implemented. As the ICP is not mandatory, the supervisor should be aware of the fact that the ICP does not overrule existing legislation or regulation. However, if national legislators and regulators conclude that the ICP should give cause to adjustments of existing regulation or to new regulation, this should be developed in a transparent manner in close consultation with the industry. The supervisor should make sure that there is always a right balance between regulatory intervention and an open competitive market. Before introducing these adjustments or introducing new legislation or regulation, a cost/benefit analysis of the proposed regulation should be conducted.</p>	
2. Global Federation of Insurance Associations	Global	No	The draft changes clarify the responsibilities of insurers and intermediaries more so than the current version of ICP 19. The current version focuses on the responsibilities of insurers. GFIA notes that this ICP now explicitly includes both insurers and intermediaries, which is positive. However, GFIA would note that some of the activities that are associated with	This comment is cross-referenced in 19.0.8-10. The supervisor's interest is not just in

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			intermediaries throughout this ICP (e.g., product development, claims handling, complaint handling, etc.) fall outside of the activities that are typically associated with insurance intermediation in life and health insurance. In some cases, oversight of such activities may not be within the supervisor’s purview. For example, regulators may not have direct authority over the businesses and activities of managing general agents, third party administrators, or businesses that the insurer outsources certain activities to. As such, GFIA would suggest that the activities associated with insurance intermediation in this ICP be limited to distribution activities.	distribution but also in other key processes for which the insurers uses third parties. It is the supervisory responsibility over the insurer that is relevant.
3. AIA Group	Hong Kong	No	AIA appreciates the opportunity to comment on the public consultation on revised ICP 19 (Conduct of Business).	Noted
4. Dutch Association of Insurers	Netherlands	No	The Dutch Association of Insurers welcomes the draft revision of the Insurance Core Principles (ICP). More in general we believe both the ICP 18 and ICP 19 reflect principles (and standards) which are common in the European Union and are standards reflected in the Insurance Distribution Directive (IDD, 2016/97/EU) which comes into force on 23 February 2018. We would like to share the following comments.	Noted – see below for detailed comments
5. Zurich Insurance Group	Switzerland	No	<p>We have some issues to raise in ICP 19:</p> <p>ISSUE 1. We have three concerns over the “group-wide” approach to the supervision of legal entities that are part of an insurance group outlined in this guidance; and the consequences for insurance consumers of the policies and procedures they put into place. This mirrors our concerns raised with ICP guidances 18.0.6 and 18.0.7.</p> <p>First, the draft explains in detail in guidance 19.2.3 that “supervisory requirements with respect to fair treatment of customers may vary depending on the legal framework in place in a particular jurisdiction.” Further, it recognizes that “the desired outcome of fair treatment of customers may be achieved through a variety of approaches.” More specifically, guidance 19.0.3 states “conduct of business, including business practices, is closely linked with jurisdictions’ tradition, culture, legal regime and the degree of development of the insurance sector.” That paragraph then advises “such diversity should be taken into consideration in</p>	See detailed comments below.

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			<p>implementing this ICP, and related standards and guidance material, in order to achieve the outcome of fair treatment of customers.” However, 19.0.13 then appears to dispense with the value of diversity or the needs of customers in local markets by imposing homogenous global policies, procedures and supervisory standards.</p> <p>Second, guidance 19.0.13 implies that standards in one jurisdiction that are different than standards in another jurisdiction are presumably “lower”. Again, 19.0.3 urges that “different” does not mean “lower” or “worse” but very well could mean more suitable for the environment in which the conduct of business takes place.</p> <p>Third, the draft designates no single supervisory authority as the one with the “correct” standard to impose globally. As a result, each supervisory authority seems empowered to judge from its own vantage point whether another jurisdiction’s different standards are “lower” than its own, even though those different standards are applied in the context of a foreign culture, traditions, legal regime and insurance market.</p> <p>This contradiction must be resolved in favor of the customer; customers live, work and buy insurance in their own cultures, traditions, legal regimes and insurance markets. While it is possible a group structure is relevant to the ICP, we do not believe this fact alone should be used to mandate business conduct less suitable for customers.</p> <p>Accordingly, we recommend 19.0.13 be revised in whole and the proposed text is outlined in Q14.</p> <p>ISSUE 2. There is a lack of differentiation between insurers and intermediaries in a number of guidances to 19.6, 19.7 and 19.8 which have the potential to cause confusion.</p> <p>ISSUE 3. Disclosure requirements for certain information before a contract is entered into (19.6.12) and disclosure of internal policies and procedures around complaints handling (19.11.3).</p>	

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			<p>ISSUE 4. Recent policy developments in the US and EU warrant an increased focus on Data protection. An Issues Paper on the matter with a view to a separate ICP may be appropriate.</p>	
6. Institute of International Finance	United States	No	<p>Application of the ICPs should ensure the appropriate and fair treatment of customers who are contracted locally</p> <p>Protecting the interest of policyholders and ensuring fair treatment of customers lies at the heart of regulation and supervision of the insurance sector. Regardless of the group structure and level of globalization of the insurer and the business of insurance intermediation, for the most part, consumers who purchase insurance products contract locally under local legal systems and market conditions with locally licensed operating entities that may or may not be part of a larger local, regional or global group. In this context, we believe it is important to recognize the local legal, regulatory and market specificities, and unnecessary to recommend higher standard of regulation based on the affiliation or not of the underwriting insurer with a larger group. Standards and guidance that would potentially deny customers fair access to insurance products, whether they are provided by a global or local insurer, should be avoided. Therefore, business conduct in intermediation systems should be subject to supervision that avoids regulatory arbitrage and market asymmetries that artificially prevent customers from fair access to insurance products.</p> <p>We take note that there is a lack of clarity around the direction that the ICPs are taking regarding the application of the ICPs on a global versus a local level. Some language in the consultation documents seems contradictory. Particularly in the case of intermediaries, ICP 18.0.6 leans towards a global group-wide approach for supervision of intermediaries, even if the requirements in some jurisdictions are “lower,” while ICP 18.0.7 appears to better recognize the focus on local specificities. The same contradiction is found in ICP 19.0.3 and ICP 19.0.13 regarding conduct of business. We urge the IAIS to resolve the apparent contradictions by removing language that would require global groups to adhere to a higher standard than their local competitors, which would encourage market distortion and potentially result in the unfair treatment of customers.</p>	Noted – see comments below.

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			<p>The definition of concepts should be clarified</p> <p>We welcome the improved clarity in the consultation documents on the definition of concepts such as authorities responsible for insurance supervision. To enhance the clarity of the ICPs, we would like to see other more precise definitions. For example, the definition of a complaint in ICP 19.11.1: as “an expression of dissatisfaction” is rather wide without any reference to materiality, alleged loss, distress or inconvenience. The current broadly worded definition may trigger a comprehensive investigation of frivolous “complaints.” Another example is the reference to terms such as “micro-prudential” and “macro-prudential” supervision. As these terms are referenced on different occasions in different ways, a single definition is needed from the IAIS</p> <p>With particular concern in ICP 18, we noticed inconsistencies and confusion in the elaboration of “intermediation” and “direct distribution.” The consultation document seems to lack a clear distinction between these two concepts. For example, ICP 18.0.1 seems to apply to direct sales of the insurer despite ICP 18’s focus only on “intermediaries”, which are defined as “the interface between insurers and customers.” In ICP 18.0.6 we urge the IAIS to clearly distinguish between these two concepts and avoid the misleading message of transforming “direct distribution of the insurer” into “insurance intermediation.”</p>	
7. Cincinnati Insurance Company	United States of America	No	<p>Our company does not believe that the world needs a set of Insurance Core Principles (ICPs) and objects to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). Therefore, we object to ICP 19 and would suggest that this ICP be eliminated rather than revised.</p> <p>Instead, we would urge the IAIS, FSB and IMF to work toward a system of</p>	<p>Position noted, but we disagree.</p> <p>Please consider that the ICPs are intended to be principles-based. The diversity of insurance markets with respect to conduct of business is acknowledged upfront in 19.0.3.</p>

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			global regulatory balance instead of global regulatory convergence. We envision a world-wide system of regulatory interaction which takes a "Google translate" approach to understanding each other's regulatory regimes by employing international coordination and cooperation instead of preemption or prescription of jurisdictional regimes. Our emphasis on global regulatory balance instead of global regulatory convergence compliments our desire to preserve state insurance regulation and seek its acceptance at home and abroad as an equivalent form of regulation on par with the regulatory schemes of other countries."	
2 - Q2 Comment on Introductory Guidance 19.0.1				
8. ON BEHALF OF MYSELF	BRAZIL	No	The second bullet point of 19.0.1 states that information should be accurate, clear and not misleading. But even accurate, clear and not misleading information may not be enough for customer decision making. The information should be understandable. So, i suggest a new wording to the second bullet point: "providing customers with information before, during and after the point of sale that is accurate, clear, not misleading and understandable;"	Relates to 19.0.2 This is covered further in 19.6 (eg 19.6.4). Here, we give (non-exhaustive) examples to describe fair treatment.
9. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA thinks that the principal objective of insurance supervision should aim at policyholder protection. From this perspective, the Introductory Guidance could be understood as too far-reaching. This wording, according to our understanding, seems not balanced enough, meaning not expressing the principal objective of a supervisor being policyholder protection. In addition, there could be a conflict of objectives between policyholder protection and financial stability (e.g. the participation of consumers in loss absorption could contribute to financial stability, but this is unfavourable for the consumer). The very goal of requirements for the conduct of insurance business is to promote fair consumer outcomes. FINMA therefore suggests deleting the last part of the sentence in the second bullet of 19.0.1 "and contributing to overall financial stability".	The reference to financial stability is now deleted, as considered adequately covered in the following bullet. The bullets have been reordered to place policyholder protection and fair treatment as the first.
10. ICMIF	UK	No	We would like to propose the following language for the 3rd bullet point (Requirements for the conduct of insurance business help to)	Language has been strengthened by replacing "acceptable business practices with respect to" with "business practices that support"

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			create a level playing field for insurers and intermediaries, which supports a sound and resilient insurance sector where fair business practices vis à vis customers prevail.	
11. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
3 - Q3 Comment on Introductory Guidance 19.0.2				
12. World Federation of Insurance Intermediaries	Belgium	No	The bullet points in this paragraph go too much into detail for a high-level paper in an international context. We propose to delete this paragraph.	This para is based on 19.2.4 in the current guidance (with some rewording). We consider it useful as introductory guidance in providing context.
13. Insurance Europe	Europe	No	ICP 19 mostly uses the word “customer”. However, sometimes the word “consumer” is employed. This is the case for example in § 19.0.2; §19.4; §19.4.5; § 19.6.19, §19.6.12 etc... A clear definition of each word would be helpful to understand the scope of each provision of the ICP. We note that both ‘consumer’ and ‘customer’ are defined in the IAIS glossary but we find it difficult to understand the distinction between the two definitions, and both terms seem to be used interchangeably in the ICPs.	The terms are not intended to be used interchangeably. “Customer” is used for processes that occur after a business relationship has been established.
14. Global Federation of Insurance Associations	Global	No	ICP 19 mostly uses the word “customer”. However, sometimes the word “consumer” is employed. This is the case for example in § 19.0.2; §19.4; §19.4.5; § 19.6.19, §19.6.12 etc... A clear definition of each word would be helpful to understand the scope of each provision of the ICP. GFIA notes that both “consumer” and “customer” are defined in the IAIS glossary, but finds it difficult to understand the distinction between the two definitions, and both terms seem to be used interchangeably in the ICPs.	See response to 13 above.
15. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
4 - Q4 Comment on Introductory Guidance 19.0.3				

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16. Dutch Association of Insurers	Netherlands	No	In implementing ICP 19 supervisors should respect the key principle of proportionality. There should be several ways to comply, in such a way that is it less burdensome for small and medium sized insurers as well taking into account their nature, size and complexity.	Noted. The principle of proportionality applies to ICP 19.
17. ICMIF	UK	No	This paragraph speaks about the cultural aspect of Conduct of Business. When it refers to diverse 'regulatory' approaches it should read 'supervisory' (approaches), bearing in mind regulation and supervision are distinct and complementary. In that context, it is worth remembering that the combination of regulatory rules with the judgement of supervisors is a very good approach allowing for flexibility that rules generally lack.	Update as suggested.
18. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
5 - Q5 Comment on Introductory Guidance 19.0.4				
19. ICMIF	UK	No	<p>We would like to suggest this wording for the 1st sentence:</p> <p>'Requirements for the conduct of insurance business may differ depending on the nature of the customer with whom an insurer or intermediary interacts and the type of carrier and/or insurance provided.'</p> <p>It seems adequate to grant more flexibility to the supervisor as to the business model and/or size of the insurer supervised. That way, one could avoid creating a one-size-fits-all approach whereby supervisors would no longer be able to adequately differentiate between risks and risk carriers.</p>	Propose to leave. This could risk saying that complex business undertaken by smaller insurers may be less robustly supervised than that undertaken by large insurers. This could increase risks to customers.
20. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
6 - Q6 Comment on Introductory Guidance 19.0.5				

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21. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
7 - Q7 Comment on Introductory Guidance 19.0.6				
22. Global Federation of Insurance Associations	Global	No	Consider revising this paragraph along the lines below to accommodate for situations in which the industry adopts best practices or standards. Supervisors may wish to issue guidelines on their expectations, or support industry guidelines or best practices, to help insurers and intermediaries achieve fair treatment of customers.	A new sentence has been added along these lines.
23. ICMIF	UK	No	Supervisory guidelines where they don't exist would be greatly appreciated. These should provide options and national discretions, or ONDs. These ONDs give supervisors and governments some leeway in how they apply the rules.	Noted
24. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
8 - Q8 Comment on Introductory Guidance 19.0.7				
25. ON BEHALF OF MYSELF	BRAZIL	No	The guidance 19.0.7 needs some clarification on where ICP 19 is applicable (or not) to reinsurance transactions. It is also not clear whether ICP 19 is applicable to reinsurers and if it is the case, where applicable.	Reinsurance transactions are not excluded, but the application of proportionality and nature of reinsurance means that there is less concern for supervisors. Cross reference now made to ICP 13.
26. Global Federation of Insurance Associations	Global	No	This Guidance cross references ICP 13, but ICP 13 does not refer to such a duty on insurers and reinsurers to provide each other with complete and accurate information.	The cross reference has been moved from the second to the first sentence.
27. American Council of Life Insurers	Office of General Counsel	No	ACLI endorses the cross-reference to ICP 13 but recommends deleting the reference to a duty not included in ICP 13.	Noted. See response to 26 above.

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28. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
9 - Q9 Comment on Guidance 19.0.8				
29. Global Federation of Insurance Associations	Global	No	For paragraphs 19.0.8 to 19.0.10, see the general comment above (Q1).	See response to comment 2.
30. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
10 - Q10 Comment on Guidance 19.0.9				
31. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
11 - Q11 Comment on Guidance 19.0.10				
32. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
12 - Q12 Comment on Guidance 19.0.11				
33. ON BEHALF OF MYSELF	BRAZIL	No	Guidance 19.0.11 does not address the case of domestic insurers that sell products abroad. There are some foreign insurers that sell products in Brazil (through Brazilian representatives or agents) without being licensed by the Brazilian Authority. So, I suggest a new wording to this guidance: "Legislation should provide requirements with which insurers and intermediaries must comply, including foreign insurers and intermediaries selling products on a cross-border basis and domestic insurers and intermediaries selling products abroad".	We note the point. However, the legislation of the foreign jurisdictions into which the products are sold would also be relevant, but over which the home jurisdiction has no control. This issue may be explored in further work.

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34. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
13 - Q13 Comment on Guidance 19.0.12				
35. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
14 - Q14 Comment on Guidance 19.0.13				
36. Global Federation of Insurance Associations	Global	No	<p>GFIA does not think it appropriate or proportional that an international insurance company is disadvantaged by being required to meet a standard higher than a local insurance company. It would create an uneven playing field in markets. In addition, GFIA underlines that the existing paragraph 19.0.13 appears to conflict with paragraph 19.0.3 that provides for considering local tradition, culture, legal regime and the degree of development of the insurance sector in establishing an approach and implementing the principles.</p> <p>Suggestions for re-drafting of the paragraph for clarification purposes are as follows:</p> <p>Where insurance legal entities are part of an insurance group, the application of appropriate policies and procedures on conduct of business across the group should result in the fair treatment of customers on a group-wide basis, recognising local specificities to avoid regulatory arbitrage and market asymmetries.</p>	A reference to local requirements and specificities has been added and some wording deleted – consistent with the amendments to ICP 18.0.6.
37. American Council of Life Insurers	Office of General Counsel	No	ACLI recommends deleting the phrase “even if legal requirements in some jurisdictions are potentially lower than those used by the group.” First, supervisors do not have authority to impose standards not embedded in law in their jurisdiction. Second, we do not believe it appropriate or proportional that an international insurance group is disadvantaged by being required to meet a standard higher than a local insurance company, not least because it would create an unlevel playing field in markets.	See response to comment 36.

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38. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	Guidance 19.0.13 states that the application of appropriate policies and procedures on conduct of business across the group should result in fair treatment of customers on a group-wide basis, even if legal requirements in some jurisdictions are potentially lower than those used by the group. In FINMA’s opinion this statement is not well-balanced. First, the local requirements for conduct of business are predominant. Second, there is no legal ground for such a requirement. Third, access to insurance in jurisdictions with lower requirements can be hindered which is not in the customer’s interest.	See response to comment 36.
39. Zurich Insurance Group	Switzerland	No	As per our comments to ICP19 in Q1. We have some concerns over the consistency of groupwide supervision in this guidance. Given these comments, we believe guidance 19.0.13 should be revised in whole to the below: “The supervisor should consider the implications arising from group structures in applying the Standards of this ICP. Specifically, there are a number of other group-related aspects that are relevant to the supervision of conduct of business by insurers, such as: • public disclosure by the supervisor of the regulatory requirements in respect of the offering of cross-border insurance; • disclosure to customers of the group to which an underwriter belongs; and • the potential risks from group entities that could affect policies being sold or administered.”	See response to comment 36.
40. Institute of International Finance	United States	No	Protecting the interest of policyholders and ensuring fair treatment of customers lies at the heart of regulation and supervision of the insurance sector. Regardless of the group structure and level of globalization of the insurer and the business of insurance intermediation, for the most part, consumers who purchase insurance products contract locally under local legal systems and market conditions with locally licensed operating entities that may or may not be part of a larger local, regional or global group. In this context, we believe it is important to recognize the local legal, regulatory and market specificities, and unnecessary to recommend higher standard of regulation based on the affiliation or not of the underwriting insurer with a larger group. Standards and guidance that would potentially deny	See response to comment 36.

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			<p>customers fair access to insurance products, whether they are provided by a global or local insurer, should be avoided. Therefore, business conduct in intermediation systems should be subject to supervision that avoids regulatory arbitrage and market asymmetries that artificially prevent customers from fair access to insurance products.</p> <p>We take note that there is a lack of clarity around the direction that the ICPs are taking regarding the application of the ICPs on a global versus a local level. Some language in the consultation documents seems contradictory. Particularly in the case of intermediaries, ICP 18.0.6 leans towards a global group-wide approach for supervision of intermediaries, even if the requirements in some jurisdictions are “lower,” while ICP 18.0.7 appears to better recognize the focus on local specificities. The same contradiction is found in ICP 19.0.3 and ICP 19.0.13 regarding conduct of business. We urge the IAIS to resolve the apparent contradictions by removing language that would require global groups to adhere to a higher standard than their local competitors, which would encourage market distortion and potentially result in the unfair treatment of customers.</p> <p>We propose to strike the first sentence of ICP 19.0.3 and revise it as follows: "The supervisor should consider the implications arising from group structures in applying the Standards of this ICP. Specifically, there are a number of other group-related aspects that are relevant to the supervision of conduct of business by insurers and intermediaries,, such as:</p> <ul style="list-style-type: none"> - public disclosure by the supervisor of the regulatory requirements in respect of the offering of cross-border insurance; - disclosure to customers of the group to which an underwriter belongs; and - the potential risks from group entities that could affect policies being sold or administered." 	
41. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.

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42. MetLife	USA	No	<p>Where insurance legal entities are part of an insurance group, the application of appropriate policies and procedures on conduct of business across the group should result in the fair treatment of customers on a group-wide basis, recognising local specificities to avoid regulatory arbitrage and market asymmetries.</p> <p>We do not think it appropriate or proportionate that an international insurance company is disadvantaged by being required to meet a standard higher than a local insurance company. It would create an uneven playing field in markets.</p>	See response to comment 36.
15 - Q15 Comment on Guidance 19.0.14				
43. ICMIF	UK	No	The awareness of other sectors of financial services' rules and requirements is essential to ensure a balanced playing field between all financial services providers	Noted
44. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
16 - Q16 Comment on Guidance 19.0.15				
45. Global Federation of Insurance Associations	Global	No	ICP 25 on supervisory cooperation and coordination, and ICP 3 on confidentiality, should be referenced here.	References not considered necessary to explain this guidance para.
46. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
17 - Q17 Comment on Guidance 19.0.16				
47. Global Federation of	Global	No	It is not clear what is meant by cross-border business. Does this refer to multiple jurisdictions within the same country or something else?	Insurance sold by an insurer or intermediary in one jurisdiction to customers in another.

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Insurance Associations				
48. Dutch Association of Insurers	Netherlands	No	It is important that supervisors also cooperate at international level in order to enhance innovation. We have positive experiences in the Netherlands with the concept of a Regulatory sandbox and cooperation with and between supervisors.	Noted
49. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
18 - Q18 Comment on Standard 19.1				
50. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
19 - Q19 Comment on Guidance 19.1.1				
51. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
20 - Q20 Comment on Standard 19.2				
52. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
21 - Q21 Comment on Guidance 19.2.1				
53. World Federation of Insurance Intermediaries	Belgium	No	We propose to amend the first sentence as follows: Supervisors should require insurers and intermediaries to comply with all relevant national laws and regulations regarding the fair treatment of customers.	Disagree – it is not the purpose of the ICPs simply to reinforce national requirements. The wording is not changed from the current guidance.

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54. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
22 - Q22 Comment on Guidance 19.2.2				
55. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
23 - Q23 Comment on Guidance 19.2.3				
56. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
24 - Q24 Comment on Guidance 19.2.4				
57. World Federation of Insurance Intermediaries	Belgium	No	The bullet points in this paragraph go too much into detail for a high-level paper in an international context. We suggest to delete this paragraph.	We consider this guidance to be useful. It is not significantly different from the current guidance. Propose to leave.
58. Insurance Europe	Europe	No	The overarching concept of proportionality as set out in the Introduction and Assessment Methodology should be apparent in the text (notably as regards the requirement for implementation and monitoring procedures to be always evaluated by Senior Management). Excessively detailed procedures (assessment, review and recording) will be too heavy to implement and are not suitable for small businesses.	The wording referred to is unchanged from the current guidance. Propose to leave.
59. Global Federation of Insurance Associations	Global	No	The principle of proportionality should be more evident in the text (notably with regard to the requirement on implementation and monitoring procedures to be always evaluated by Senior Management). Excessively detailed procedures (assessment, review and recording) will be too heavy to implement and are not suitable for small businesses.	See response to comment 58.

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60. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
25 - Q25 Comment on Guidance 19.2.5				
61. Zurich Insurance Group	Switzerland	No	<p>Policies and procedures are typically internal documents and often contain propriety information. Moreover, a consumer is unlikely to find policies and procedures written for internal staff particularly accessible, useful or practical for their purposes.</p> <p>We believe it is more practical and useful to provide well designed and structured information about complaints procedures than to provide raw internal documents.</p> <p>A better approach is that described in 19.10.3, which provides: “Claimants should be informed about procedures, formalities and common timeframes for claims settlement”.</p> <p>Accordingly, the last sentence of 19.2.5 should be deleted and amendments made to 19.11.3 to reflect the above approach.</p>	<p>This does not ask for internal documents to be made public. It suggests that relevant policies and procedures are made publicly available, in particular claims/complaints/dispute resolution.</p> <p>There is no change to the current guidance. Propose to leave.</p>
62. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
26 - Q26 Comment on Standard 19.3				
63. World Federation of Insurance Intermediaries	Belgium	No	<p>This standard and the paragraphs 19.3.1/19.3.2/19.3.4 make insurers supervisor of intermediaries. WFII can not agree with this. Intermediaries and insurers are business partners on an equal basis and are not each other’s supervisor. Insurers and intermediaries have indeed arrangements in place but these are contractual agreements between two private parties. To impose requirements on these arrangements is an intrusion into private contractual agreements. Moreover, not every country uses the concept of “treating customers fairly” and this should not be imposed in this way.</p>	

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>Furthermore and perhaps most important reason is that ICPs 18 and 19 already impose that every insurance intermediary should be licensed and supervised. We do not understand why the insurer should add another layer of supervision of the intermediary. We believe this is too intrusive into the contractual relationship between businesses.</p> <p>WFII proposes the following text for this standard and paragraphs: 19.3 The supervisor requires insurers and intermediaries to have arrangements in place that promote the fair treatment of customers.</p> <p>19.3.1 The supervisor should require insurers to conduct business only with intermediaries that are licensed.</p> <p>19.3.2 The supervisor may require insurers and intermediaries to report any significant issues of which they become aware and have transparent mechanisms to handle complaints. This might include identifying whether particular matters are the subject of regular or frequent complaints. Documentation on this will enable insurers and intermediaries to report recurring issues to the supervisor where the matters identified may be relevant to the supervisor’s assessment of the insurers or intermediaries concerned.</p> <p>19.3.4 Insurers and intermediaries should ensure that written agreements are established in respect of their business dealings, to clarify their respective roles and to promote the fair treatment of customers. Such agreements could cover (...).</p>	<p>Agreed – “intermediaries” also have responsibilities and have now been referenced in 19.3 and 19.3.4.</p> <p>For comments on the guidance, see below.</p>
64. Insurance Europe	Europe	No	<p>Insurers should not be responsible for verifying if an intermediary is “in breach of its regulatory requirements”. This is the role of supervisors. As they are regulated, intermediaries should assume their own responsibilities for their distribution activities.</p> <p>There should not be any shift of responsibility to be defined by the IAIS by placing greater responsibility on insurers for ensuring fair treatment of customers by intermediaries – especially where distribution is through brokers.</p>	If this is a reference to 19.3.1, please note that this is simply moved from existing guidance in ICP 18.
65. Global Federation of	Global	No	Insurers should not be responsible for verifying if an intermediary is “in breach of its regulatory requirements”. This is the role of supervisors. As	See response to comment 64.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Insurance Associations			<p>they are regulated, intermediaries should assume their own responsibilities for their distribution activities.</p> <p>There should not be any shift of responsibility to be defined by the IAIS by placing greater responsibility on insurers for ensuring fair treatment of customers by intermediaries – especially where distribution is through brokers.</p>	
66. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
27 - Q27 Comment on Guidance 19.3.1				
67. World Federation of Insurance Intermediaries	Belgium	No	<p>This standard and the paragraphs 19.3.1/19.3.2/19.3.4 make insurers supervisor of intermediaries. WFII can not agree with this. Intermediaries and insurers are business partners on an equal basis and are not each other's supervisor. Insurers and intermediaries have indeed arrangements in place but these are contractual agreements between two private parties. To impose requirements on these arrangements is an intrusion into private contractual agreements. Moreover, not every country uses the concept of "treating customers fairly" and this should not be imposed in this way. Furthermore and perhaps most important reason is that ICPs 18 and 19 already impose that every insurance intermediary should be licensed and supervised. We do not understand why the insurer should add another layer of supervision of the intermediary. We believe this is too intrusive into the contractual relationship between businesses.</p> <p>WFII proposes the following text for this standard and paragraphs: 19.3 The supervisor requires insurers and intermediaries to have arrangements in place that promote the fair treatment of customers.</p> <p>19.3.1 The supervisor should require insurers to conduct business only with intermediaries that are licensed.</p> <p>19.3.2 The supervisor may require insurers and intermediaries to report any significant issues of which they become aware and have transparent mechanisms to handle complaints. This might include identifying whether</p>	<p>Same comment as 63.</p> <p>Please note that 19.3.1 is simply moved from existing guidance in ICP 18.</p> <p>For remaining guidance referred to, see below.</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>particular matters are the subject of regular or frequent complaints. Documentation on this will enable insurers and intermediaries to report recurring issues to the supervisor where the matters identified may be relevant to the supervisor's assessment of the insurers or intermediaries concerned.</p> <p>19.3.4 Insurers and intermediaries should ensure that written agreements are established in respect of their business dealings, to clarify their respective roles and to promote the fair treatment of customers. Such agreements could cover (...).</p>	
68. Insurance Europe	Europe	No	<p>Guidance 19.3.1 appears to place a responsibility on insurers to verify the arrangements, the appropriate knowledge, and the ability of intermediaries to conduct business. This blurs the responsibilities of insurers and independent intermediaries who will each be separately licensed under the regulatory system and accountable under that system for their activities. Therefore, the responsibility for the arrangements, knowledge and ability of intermediaries to conduct business rests with the intermediary and the regulatory authority that grants its licence, and should not be the responsibility of insurers – insurers should be entitled to rely on the diligence of regulatory authorities in granting licences and their supervisory oversight thereafter.</p> <p>Therefore, Insurance Europe recommends that the second part of the sentence is deleted so that it reads “The supervisor should require insurers to conduct business only with intermediaries that are licensed”.</p>	<p>Please note that the text of 19.3.1 is not new – simply moved from ICP 18.2.14. This guidance is not new.</p>
69. Global Federation of Insurance Associations	Global	No	<p>This paragraph requests insurers to verify that intermediaries have the appropriate knowledge and ability with which to conduct such business. This provision goes too far especially when dealing with brokers. An insurer cannot verify the knowledge and ability of the brokers' employees. Such a requirement would be impossible to achieve in practice. It blurs the responsibilities of insurers and independent intermediaries who will each be separately licensed under the regulatory system and accountable under that system for their activities. Therefore, the responsibility for the arrangements, knowledge and ability of intermediaries to conduct business rests with the intermediary and the regulatory authority that grants its licence, and should not be the responsibility of insurers – insurers should be</p>	<p>See response to comment 68.</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>entitled to rely on the diligence of regulatory authorities in granting licences and their supervisory oversight thereafter.</p> <p>GFIA therefore recommends that the second part of the sentence is deleted so that it reads “The supervisor should require insurers to conduct business only with intermediaries that are licensed”.</p>	
70. Institute of International Finance	United States	No	<p>19.3.1 appears to place a responsibility on insurers to verify the arrangements, appropriate knowledge and ability of intermediaries to conduct business. This blurs the responsibilities of insurers and independent intermediaries who will each be separately licenced under the regulatory system and accountable under that system for their activities. Therefore the responsibility for the arrangements, appropriate knowledge and ability of intermediaries to conduct business rests with the intermediary and the regulatory authority that grants its license, and should not be a responsibility of insurers who should be entitled to rely on the diligence of regulatory authorities in granting licences to intermediaries and supervisory oversight thereafter.</p> <p>Therefore, we recommend that the second part of the sentence is deleted so that it reads ‘The supervisor should require insurers to conduct business only with intermediaries that are licensed.’</p>	See response to comment 68.
71. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
28 - Q28 Comment on Guidance 19.3.2				
72. World Federation of Insurance Intermediaries	Belgium	No	<p>This standard and the paragraphs 19.3.1/19.3.2/19.3.4 make insurers supervisor of intermediaries. WFII can not agree with this. Intermediaries and insurers are business partners on an equal basis and are not each other’s supervisor. Insurers and intermediaries have indeed arrangements in place but these are contractual agreements between two private parties. To impose requirements on these arrangements is an intrusion into private contractual agreements. Moreover, not every country uses the concept of “treating customers fairly” and this should not be imposed in this way.</p>	Same as comment 63.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>Furthermore and perhaps most important reason is that ICPs 18 and 19 already impose that every insurance intermediary should be licensed and supervised. We do not understand why the insurer should add another layer of supervision of the intermediary. We believe this is too intrusive into the contractual relationship between businesses.</p> <p>WFII proposes the following text for this standard and paragraphs: 19.3 The supervisor requires insurers and intermediaries to have arrangements in place that promote the fair treatment of customers.</p> <p>19.3.1 The supervisor should require insurers to conduct business only with intermediaries that are licensed.</p> <p>19.3.2 The supervisor may require insurers and intermediaries to report any significant issues of which they become aware and have transparent mechanisms to handle complaints. This might include identifying whether particular matters are the subject of regular or frequent complaints. Documentation on this will enable insurers and intermediaries to report recurring issues to the supervisor where the matters identified may be relevant to the supervisor’s assessment of the insurers or intermediaries concerned.</p> <p>19.3.4 Insurers and intermediaries should ensure that written agreements are established in respect of their business dealings, to clarify their respective roles and to promote the fair treatment of customers. Such agreements could cover (...).</p>	<p>19.3.2 is moved from current ICP 18.2.15. There is some redrafting, but not changed re the insurer’s responsibility.</p>
73. Global Federation of Insurance Associations	Global	No	<p>Although the draft changes clarify the responsibilities of these parties, a few of the changes indicate that supervisors may expect insurers to regulate or at least have a role in regulating their intermediaries. One example is paragraph 19.3.2 on documenting consumer complaints about intermediaries. Specifically, the IAIS states that “documentation on this will enable insurers to report recurring issues to the supervisor where matters identified may be relevant to the supervisor’s assessment of the intermediaries concerned”.</p> <p>In some jurisdictions, insurance brokers are considered independent consumer representatives and are governed by different legislation than</p>	<p>Please note that 19.3.2 is moved from current ICP 18.2.15. There is some redrafting, but not changed re the insurer’s responsibility.</p> <p>“Reporting significant issues” is not intended to be supervision by the insurer. “Significant</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>insurers. A different governing body than the insurance supervisor licenses and regulates brokers. Placing expectations on insurers to supervise or at least have a role in supervising intermediaries is not within the spirit of independence and the nature of the insurer-intermediary business relationship.</p> <p>The market conduct risk associated with traditional intermediaries and alternative distribution arrangements is different. Accordingly, a one-size-fits-all regulatory approach may not be appropriate. Supervisors' approach to regulation should reflect any differences.</p>	issues" could potentially arise whatever the degree of independence of the intermediary.
74. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
29 - Q29 Comment on Guidance 19.3.3				
75. Insurance Europe	Europe	No	This paragraph sets out that supervisory measures may be taken against the insurer when it cooperates with an intermediary that is in breach of its regulatory requirements. We believe that supervisory measures should primarily be taken against the intermediary itself and not against the insurer, who may also suffer from the lack of diligence of the intermediary.	<p>Note that this is in current guidance 18.7.8.</p> <p>If an insurer "<u>knowingly cooperates</u> with an intermediary that is in breach of its regulatory requirements", why should the supervisor not be able to consider action against the insurer as well as the intermediary?</p>
76. Global Federation of Insurance Associations	Global	No	This paragraph sets out that supervisory measures may be taken against the insurer when it cooperates with an intermediary that is in breach of its regulatory requirements. GFIA is of the view that supervisory measures should primarily be taken against the intermediary itself and not against the insurer, who may also suffer from the lack of diligence of the intermediary.	See response to comment 75.
77. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
30 - Q30 Comment on Guidance 19.3.4				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
78. World Federation of Insurance Intermediaries	Belgium	No	<p>This standard and the paragraphs 19.3.1/19.3.2/19.3.4 make insurers supervisor of intermediaries. WFII can not agree with this. Intermediaries and insurers are business partners on an equal basis and are not each other's supervisor. Insurers and intermediaries have indeed arrangements in place but these are contractual agreements between two private parties. To impose requirements on these arrangements is an intrusion into private contractual agreements. Moreover, not every country uses the concept of "treating customers fairly" and this should not be imposed in this way. Furthermore and perhaps most important reason is that ICPs 18 and 19 already impose that every insurance intermediary should be licensed and supervised. We do not understand why the insurer should add another layer of supervision of the intermediary. We believe this is too intrusive into the contractual relationship between businesses.</p> <p>WFII proposes the following text for this standard and paragraphs:</p> <p>19.3 The supervisor requires insurers and intermediaries to have arrangements in place that promote the fair treatment of customers.</p> <p>19.3.1 The supervisor should require insurers to conduct business only with intermediaries that are licensed.</p> <p>19.3.2 The supervisor may require insurers and intermediaries to report any significant issues of which they become aware and have transparent mechanisms to handle complaints. This might include identifying whether particular matters are the subject of regular or frequent complaints. Documentation on this will enable insurers and intermediaries to report recurring issues to the supervisor where the matters identified may be relevant to the supervisor's assessment of the insurers or intermediaries concerned.</p> <p>19.3.4 Insurers and intermediaries should ensure that written agreements are established in respect of their business dealings, to clarify their respective roles and to promote the fair treatment of customers. Such agreements could cover (...).</p>	<p>Same as comment 63.</p> <p>Broadened to include "intermediaries".</p>
79. Insurance Europe	Europe	No	<p>This paragraph requires written agreements between insurers and intermediaries to clarify their respective roles and promote the fair treatment</p>	<p>These are examples, and could be used where relevant.</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			of customers. In this respect, the reference to “other matters related to the relationship with customers” is too broad and vague and should be deleted.	Added “any” in order not to suggest that “other matters” will always be applicable.
80. Global Federation of Insurance Associations	Global	No	<p>This paragraph requires written agreements between insurers and intermediaries to clarify their respective roles and promote the fair treatment of customers. In this respect, the reference to “other matters related to the relationship with customers” is too broad and vague and should be deleted.</p> <p>Further, the bulleted list appears to mingle activities that are typically associated with intermediation (e.g., point of sale activities, policy servicing, product promotion) with activities that are typically considered insurance functions (e.g., product development, claims handling, complaint handling) in life and health insurance. While it is possible that insurers may outsource certain functions to third parties, these arrangements may not be considered intermediary relationships by the insurer or the outsourced.</p>	<p>See response to 79 comment.</p> <p>Point noted that not all the functions represent intermediation. However, these would still be services provided by an intermediary on behalf of an insurer, and should not be omitted from written agreement between the parties.</p>
81. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
31 - Q31 Comment on Standard 19.4				
82. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
32 - Q32 Comment on Guidance 19.4.1				
83. World Federation of Insurance Intermediaries	Belgium	No	We propose to mention that the product approval approach restricts market development and adds costs to the process.	To include such assertions, we would need supporting evidence. However, 19.4.3 mentions the need to balance protection against the benefits of innovation/choice.
84. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
33 - Q33 Comment on Guidance 19.4.2				
85. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
34 - Q34 Comment on Guidance 19.4.3				
86. World Federation of Insurance Intermediaries	Belgium	No	Product pricing should be left to the market forces.	We believe the guidance is balanced.
87. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
35 - Q35 Comment on Guidance 19.4.4				
88. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
36 - Q36 Comment on Guidance 19.4.5				
89. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
90. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Third subpoint of the third bullet, change the term “suitable” to “appropriate” to eliminate potential confusion of a suitability standard being applied to all products. This would be consistent with the language in the 5th bullet point, which references an insurer assessing whether its target market is appropriate.	Amended
37 - Q37 Comment on Guidance 19.4.6				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
91. Global Federation of Insurance Associations	Global	No	<p>Paragraph 19.4.6 about insurers submitting information that pertains to product development and paragraph 19.13.5 about insurers submitting for public disclosure information on their business activities, performance and financial position could create an expectation on supervisors to collect and disclosure commercially-sensitive and proprietary information.</p> <p>Requirements for insurers to submit commercially-sensitive and proprietary information should have protections against public disclosure and access, and be subject to confidentiality requirements.</p> <p>GFIA would caution that this paragraph may not be as applicable in situations where the insurance is not mandatory. Suggestions for re-drafting of the paragraph are as follows:</p> <p>“As applicable, supervisors may require insurers to submit specific information relating to the manner in which the development of insurance products complies with the legislated principles at any time, including prior to the launch of the product (pre-notification), for ongoing supervisory review purposes.”</p>	<p>Please note this concerns the submission of information to the supervisory for supervisory purposes, not public disclosure.</p> <p>The proposed addition of “as applicable” does not seem to make any change to the substance, given the use of “may”.</p>
92. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
38 - Q38 Comment on Standard 19.5				
93. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
39 - Q39 Comment on Guidance 19.5.1				
94. ON BEHALF OF MYSELF	BRAZIL	No	The promotional material should also be understandable. So I suggest a new wording to this guidance "19.5.1 The insurer should be responsible for providing promotional material that is accurate, clear, not misleading and understandable not only to customers but also to intermediaries who may rely on such information."	This is explained in guidance 19.5.5.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
95. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
40 - Q40 Comment on Guidance 19.5.2				
96. ON BEHALF OF MYSELF	BRAZIL	No	The information provided should also be understandable. So I suggest a new wording to this guidance "Before an insurer or intermediary promotes an insurance product, it should take reasonable steps to ensure that the information provided is accurate, clear, not misleading and understandable. Procedures should provide for an independent review of promotional material intended for customers other than by the person or organisation that prepared or designed it. For example, where promotional material is developed by an intermediary on behalf of an insurer, the insurer should verify the accuracy of promotional material before it is used.	This is explained in guidance 19.5.5.
97. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
41 - Q41 Comment on Guidance 19.5.3				
98. ON BEHALF OF MYSELF	BRAZIL	No	The promotional material should also be understandable. So I suggest a new wording to this guidance "If an insurer or intermediary becomes aware that the promotional material is not accurate, clear and understandable, or is misleading, it should inform the insurer or intermediary responsible for that material".	This is explained in guidance 19.5.5.
99. General Insurance Association of Japan	Japan	No	It is difficult to understand the difference between the descriptions of 19.5.3 "the promotional material is not accurate" and 19.5.4 "promotional material provided is not accurate". In addition, as for 19.5.4, it is unclear from whom to whom the guidance expects promotional material to be provided. Therefore, 19.5.3 and 19.5.4 should be revised or integrated for clarification.	These cover different but related communication points. Now addressed through 3 separate bullets with a common introduction.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
100. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
42 - Q42 Comment on Guidance 19.5.4				
101. ON BEHALF OF MYSELF	BRAZIL	No	The promotional material should also be understandable. So I suggest a new wording to this guidance: "If an insurer or intermediary becomes aware that promotional material provided is not accurate, clear and understandable or is misleading, it should withdraw the material and notify any person that it knows to be relying on the information as soon as reasonably practicable."	This is explained in guidance 19.5.5.
102. General Insurance Association of Japan	Japan	No	It is difficult to understand the difference between the descriptions of 19.5.3 "the promotional material is not accurate" and 19.5.4 "promotional material provided is not accurate". In addition, as for 19.5.4, it is unclear from whom to whom the guidance expects promotional material to be provided. Therefore, 19.5.3 and 19.5.4 should be revised or integrated for clarification.	See response to 99 above.
103. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
43 - Q43 Comment on Guidance 19.5.5				
104. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
44 - Q44 Comment on Standard 19.6				
105. ON BEHALF OF MYSELF	BRAZIL	No	The information should also be understandable. So I suggest a new wording to this Standard: " The supervisor requires insurers and intermediaries to provide timely, clear, understandable and adequate pre-contractual and contractual information to customers".	This is addressed in guidance 19.6.4.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
106. Zurich Insurance Group	Switzerland	No	This section does not differentiate between the insurer and intermediary, leading to the potential confusion of the respective roles, as evidenced in subsequent comments to the guidances of 19.6.	This is addressed in guidance 19.6.2.
107. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
45 - Q45 Comment on Guidance 19.6.1				
108. World Federation of Insurance Intermediaries	Belgium	No	WFII proposes to insert the following words: The insurer or intermediary, as relevant and in accordance with law and regulation, should take reasonable steps (...)	The IAIS is not responsible for national laws. Propose to leave.
109. Zurich Insurance Group	Switzerland	No	As made clear in 19.6.2, in intermediated transactions the accountability for delivery of pre-contractual information is with the intermediary in the first instance. Accordingly, 19.6.1 should be revised to read: The insurer (in the case of direct distribution) or intermediary should take reasonable steps..."	Propose to leave. This deals with both pre-contractual and contractual information, which could potentially be provided by different parties.
110. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
46 - Q46 Comment on Guidance 19.6.2				
111. World Federation of Insurance Intermediaries	Belgium	No	Same comments as under 19.3. The insurer is not the supervisor of the intermediary. The intermediary has to comply with the law and regulation regarding the distribution of insurance products and this compliance should not be supervised by the insurer. WFII proposes to delete this paragraph.	See response to 112.
112. Insurance Europe	Europe	No	In this paragraph, the IAIS requests insurers to be satisfied that the policies and procedures of the intermediaries involved are sufficiently robust. This appears to place an obligation on insurers to perform oversight of	Agreed. Language amended to: "...should be satisfied that the intermediaries involved are providing information to customers in

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			independently licensed intermediaries' internal policies and procedures. The responsibility for assessing the adequacy of an independently licensed intermediary's internal systems and controls should rest with the intermediary, with oversight from the regulatory authority granting its licence. Insurers should be able to rely on regulatory authorities in ensuring appropriate standards are in place in the firms that they grant licences to, and should not be required to 'supervise' other firms under the regulatory system.	such a manner that will assist them in making an informed decision."
113. Global Federation of Insurance Associations	Global	No	<p>In this paragraph, the IAIS requests insurers to be satisfied that the policies and procedures of the intermediaries involved are sufficiently robust. Once again, GFIA underlines that insurers cannot control brokers' procedures and policies.</p> <p>This Guidance appears to place an obligation on insurers to perform oversight of independently licensed intermediaries' internal policies and procedures. The responsibility for assessing the adequacy of an independently licensed intermediary's internal systems and controls should rest with the intermediary, with oversight from the regulatory authority granting its license. Insurers should be able to rely on regulatory authorities in ensuring appropriate standards are in place in the firms that they grant licenses to, and should not be required to 'supervise' other firms under the regulatory system</p>	See response to 112.
114. Institute of International Finance	United States	No	This appears to place an obligation on insurers to perform oversight of independently licenced intermediaries internal policies and procedures. The adequacy of an independently licenced intermediaries internal systems and controls should rest with the intermediary, with oversight from the regulatory authority granting its licence. Insurers should be able to rely on regulatory authorities in ensuring appropriate standards are in place in the firms that they grant licences to, and should not be required to 'supervise' other firms under the regulatory system.	See response to 112.
115. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
47 - Q47 Comment on Guidance 19.6.3				
116. Zurich Insurance Group	Switzerland	No	As made clear in 19.6.2, in intermediated transactions the accountability for delivery of pre-contractual information is with the intermediary in the first instance. Accordingly, 19.6.3 should be revised to read: In determining what is “timely”, an insurer (in the case of direct distribution) or intermediary should consider. . .	Not considered necessary. There is no change to the current guidance.
117. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
118. MetLife	USA	No	Information should enable an informed decision to be made by the customer before entering into a contract. In determining what is “timely”, an insurer or intermediary should consider the importance of the information to the customer’s decision-making process and the point at which the information may be most useful. Information rules should be designed in such a way to ensure that all types of sales channels are adequately provided for (direct - to - consumer, for example) and that make it permissible to sell in a timely manner, while also protecting the rights of consumers.	Noted. We consider this to be accommodated within the current wording.
48 - Q48 Comment on Guidance 19.6.4				
119. ON BEHALF OF MYSELF	BRAZIL	No	The information should also be understandable. So I suggest a new wording "Information should be provided in a way that is clear, fair, not misleading and understandable. Wherever possible, attempts should be made to use plain language that can easily be understood by the customer.	This is addressed in guidance 19.6.4.
120. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
49 - Q49 Comment on Guidance 19.6.5				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
121. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
122. MetLife	USA	No	Mandatory information should be prepared in written format, on paper or in a durable and accessible medium (for instance, electronic). Rules on delivery of contractual information should be cognizant of modern means of communication (for example, text messaging).	Noted. Would be considered within an "electronic" medium.
50 - Q50 Comment on Guidance 19.6.6				
123. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
51 - Q51 Comment on Guidance 19.6.7				
124. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
52 - Q52 Comment on Guidance 19.6.8				
125. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
53 - Q53 Comment on Guidance 19.6.9				
126. Zurich Insurance Group	Switzerland	No	As made clear in 19.6.2, in intermediated transactions the accountability for delivery of pre-contractual information is with the intermediary in the first instance. Accordingly, 19.6.9 should be revised to read: "Insurers (in the case of direct distribution) and intermediaries should be able to demonstrate to the supervisor that customers have received information necessary to understand the product."	Not considered necessary.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
127. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
54 - Q54 Comment on Guidance 19.6.10				
128. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
55 - Q55 Comment on Guidance 19.6.11				
129. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
56 - Q56 Comment on Guidance 19.6.12				
130. Insurance Europe	Europe	No	<p>This paragraph lists the products' key features that should be disclosed before and at the point of sale. However, it is important that the content of the key features should be relevant to the nature of the product (eg the fourth bullet point concerns information on the level of the premium, which is not required by the standardised insurance product information document referred to in Article 20(5) of the Insurance Distribution Directive (IDD)). We would therefore propose to make the following amendment to the first sentence: "While the level of product information required may vary, it may include information on key features such as..."</p> <p>Moreover, regarding bundled products, disclosure of premiums is requested for each benefit. Such a provision could have counter effects for multi-risk insurance policies whereas these need to be preserved in consumers' interest. IDD takes this specificity into account in Article 24(5) on cross-selling, where it states that "this Article shall not prevent the distribution of insurance products which provide coverage for various types of risks (multi-risk insurance policies)." We would encourage the IAIS to adopt a similar approach regarding the provision of product information.</p>	<p>This para should be read, bearing in mind 19.6.3 (timing of provision of information, which may have different relative importance at different points in time).</p> <p>Relevant wording in the fourth bullet has been moved and better explained in a separate paragraph that follows the bullets.</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
131. Global Federation of Insurance Associations	Global	No	<p>The key features will depend on the nature of the product. Suggestions for re-drafting of the first sentence are as follows:</p> <p>“While the level of product information required may vary, it should include information on key features that are relevant to the nature of the product, which may include features such as”</p>	See response to 130.
132. Zurich Insurance Group	Switzerland	No	<p>This guidance describes a number of attributes of the product that likely cannot be disclosed until after the contract has been entered such as:</p> <ul style="list-style-type: none"> • The level of the premium, the due-date and the period for which the premium is payable • When the insurance cover begins and ends <p>Accordingly, the introduction to 19.6.12 should be revised to read: “While the level of product information required may vary, it should include general information (i.e., not specifically tailored to that customer), on key features of the product such as: . . .”</p>	See response to 130.
133. Institute of International Finance	United States	No	<p>The initial sentence in 19.6.12 should be made less prescriptive as it generically covers all types of insurance. We therefore recommend the following amendments</p> <p>‘While the level of product information required may vary, it should BE RELEVANT TO THE NATURE OF PRODUCT, WHICH MAY include information on key features , such as:</p>	See response to 130.
134. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
57 - Q57 Comment on Guidance 19.6.13				
135. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
58 - Q58 Comment on Guidance 19.6.14				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
136. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
59 - Q59 Comment on Guidance 19.6.15				
137. Zurich Insurance Group	Switzerland	No	<p>As made clear in 19.6.2, in intermediated transactions, the accountability for delivery of pre-contractual information is with the intermediary in the first instance.</p> <p>Accordingly, 19.6.15 should be revised to read: "Before an insurance contract is concluded, the insurer (in the case of direct distribution) or intermediary, should inform a retail customer on matters such as: . ."</p> <p>19.6.15 also states that the insurer or intermediary should provide information a retail customer on such matters as "legislation applicable to the contract." That description appears too vague and ambiguous.</p> <p>A better formulation would be "information required by legislation applicable to the contract."</p>	<p>With one addition to the bullets, this is the same as the current guidance.</p> <p>As suggested elsewhere, not considered necessary to specify.</p> <p>Amended to "the applicable law governing the contract"</p>
138. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
60 - Q60 Comment on Guidance 19.6.16				
139. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
61 - Q61 Comment on Guidance 19.6.17				
140. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
62 - Q62 Comment on Guidance 19.6.18				
141. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
63 - Q63 Comment on Guidance 19.6.19				
142. Monetary Authority of Singapore (MAS)	Singapore	No	Should the term “actor” be replaced with “insurer or intermediary”?	Agreed and amended.
143. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
64 - Q64 Comment on Guidance 19.6.20				
144. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
65 - Q65 Comment on Guidance 19.6.21				
145. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
66 - Q66 Comment on Guidance 19.6.22				
146. Monetary Authority of Singapore (MAS)	Singapore	No	The use of the word “equivalent” may not be practicable. For instance, simple insurance products (e.g. travel insurance) may be purchased using apps, electronic kiosks, ATMs, internet etc. and there may be limitations in applying all disclosure requirements at the point of sale.	Propose to leave – it is the <u>objective</u> of protection that is equivalent.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
147. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
67 - Q67 Comment on Standard 19.7				
148. Zurich Insurance Group	Switzerland	No	This section does not differentiate between the insurer and intermediary, leading to the potential confusion of the respective roles, as evidenced in subsequent comments to the guidances of 19.7.	Differentiation not considered necessary (it depends on who is responsible for the advice).
149. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
68 - Q68 Comment on Guidance 19.7.1				
150. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
69 - Q69 Comment on Guidance 19.7.2				
151. Zurich Insurance Group	Switzerland	No	As made clear in 19.7.7, in intermediated transactions the accountability for advice is with the intermediary in the first instance. Accordingly, 19.7.2 should be revised to read: "Insurers (in the case of direct distribution) and intermediaries should seek the information from their customers that is appropriate . . ."	Not considered necessary.
152. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
70 - Q70 Comment on Guidance 19.7.3				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
153. Global Federation of Insurance Associations	Global	No	In many jurisdictions, advice is not mandatory. It is up to the consumers to decide whether he/she would like to receive advice or not. Where a consumer chooses not to receive advice (execution only or sales without advice) an appropriateness test may be required by some jurisdictions. Also in some jurisdictions sales without advice and without an appropriateness test is possible, however only for non-complex products. GFIA proposes to make this clearer in 19.7.3.	Considered that the guidance does not need to go into this detail.
154. Dutch Association of Insurers	Netherlands	No	Under the IDD advice is not mandatory. It is up to the consumer to decide whether advice is necessary or not. Where a consumer chooses not to receive advice (execution only or sales without advice) an appropriateness test may be required.	Noted
155. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA regards this Guidance as not clear enough. There is no common understanding in which cases "advice would be normally expected". In addition, the Guidance could be read as being not technology neutral (sign an acknowledgement). FINMA rather suggests the following sentence: "Insurers and intermediaries should make clear vis-à-vis the customer, if advice is provided or not".	Clarifying wording added (to now 19.7.5) Added as new guidance para.
156. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
71 - Q71 Comment on Guidance 19.7.4				
157. World Federation of Insurance Intermediaries	Belgium	No	WFII proposes to delete the first two sentences of this paragraph. We propose for the last sentence the following text: Even if no advice is given, the supervisor, in accordance with law and regulation, may require the insurer or intermediary to take into account the nature of the product and the customer's disclosed circumstances and demands and needs.	The first 2 sentences are existing guidance. Propose to leave.
158. Global Federation of Insurance Associations	Global	No	GFIA questions the addition of the following sentence: "Even if no advice is given the supervisor may require the product to take into account the nature of the product and the customer's disclosed	The aim is to avoid selling a product which is clearly inappropriate to the circumstances (even if a non-advised sale). (In some jurisdictions advice would be deemed to be

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>circumstances and demands and needs.”</p> <p>If no advice is given, then GFIA is of the view that a customer needs analysis will not be conducted. Suggestions for re-drafting of the paragraph for clarification purposes are as follows:</p> <p>“Even if no advice is given the supervisor may require the product to take into account the need that the product is intended to address.”</p> <p>“The supervisor may also wish to specify particular types of policies or customers for which advice is not required to be given.” The converse of this statement, and by implication, the supervisor may specify particular types of policies or customers for which advice is required to be given. This is problematic in that it disallows customers the choice of whether or not to receive advice. There are knowledgeable clients for whom advice would be unnecessary. If this scenario is what is contemplated in 19.7.3, then GFIA are comfortable.</p>	<p>given in such circumstances, so the suggested wording would be too weak.)</p> <p>Propose to leave.</p> <p>Point dealt with in 19.7.3.</p>
159. Monetary Authority of Singapore (MAS)	Singapore	No	<p>There may be practicalities for insurers to consider customer’s disclosed circumstances and demands and needs if no advice is given. For instance, in a scenario where consumers purchase products (e.g. travel insurance) via insurers’ online web portals with no advice, the outcome will usually simply be quotes generated for different plans for consumers to choose and decide which one to purchase. Hence, it will be challenging for insurers to take into account the nature of the product and the customer’s disclosed circumstances and demands and needs in this case.</p>	<p>Noted – the text is “may require”, so in the example given it could be assumed that this sentence would not apply.</p>
160. Cincinnati Insurance Company	United States of America	No	<p>See answer to Q1.</p>	<p>See response to comment 7.</p>
72 - Q72 Comment on Guidance 19.7.5				
161. Cincinnati Insurance Company	United States of America	No	<p>See answer to Q1.</p>	<p>See response to comment 7.</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
73 - Q73 Comment on Guidance 19.7.6				
162. World Federation of Insurance Intermediaries	Belgium	No	WFII proposes to delete this paragraph as it is too detailed and not high-level enough for a text on an international level.	We consider the wording to be quite unprescriptive. It refers to “sufficient documentation to demonstrate...”.
163. Insurance Europe	Europe	No	<p>Guidance 19.7.6 is phrased as requiring both the insurer and intermediary to retain sufficient documentation that advice provided was appropriate.</p> <p>This blurs the responsibilities between providers and distributors. Authorised intermediaries are accountable under their regulatory regime for the advice they provide, and should maintain appropriate records and controls in accordance with that regime. Therefore, it should not be necessary for insurers to maintain duplicate copies of their records.</p> <p>It is also likely that an intermediary would regard such information as proprietary and therefore may not be willing to share it in any case.</p> <p>In some jurisdictions, the insurer does not have to document the advice, if a broker is involved. In these cases, the broker is obliged to retain sufficient documentation. Article 20 of the Insurance Distribution Directive (IDD) obliges the insurance distributor, prior to the conclusion of an insurance contract, to “specify, on the basis of information obtained from the customer, the demands and the needs of that customer and shall provide the customer with objective information about the insurance product in a comprehensible form to allow that customer to make an informed decision”. Article 2(8) of the IDD defines the insurance distributor as “any insurance intermediary, ancillary insurance intermediary or insurance undertaking”. With regard to the IDD and to national jurisdictions, this sentence should be rephrased: “The insurer or intermediary should retain sufficient documentation...”</p>	This has been reworded to capture both insurers and intermediaries, in respect of the advice given by those under their responsibility.
164. GDV - German Insurance Association	Germany	No	According to European regulation, the insurance distributor shall -prior to the conclusion of an insurance contract- specify, on the basis of information obtained from the customer, the demands and the needs of that customer and shall provide the customer with objective information about the	See response to 163.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>insurance product in a comprehensible form to allow that customer to make an informed decision. An insurance distributor is defined as any insurance intermediary, ancillary insurance intermediary or insurance undertaking.</p> <p>In some jurisdictions the insurer does not have to document the advice, if a broker is involved. In these cases the broker is obliged to retain sufficient documentation. Therefore, 19.7.6 should be rephrased as follows:</p> <p>“The insurer or intermediary should retain sufficient documentation to demonstrate that the advice provided was appropriate, taking into account the customer’s disclosed circumstances”.</p>	
165. Global Federation of Insurance Associations	Global	No	<p>In some jurisdictions, the insurer does not have to document the advice, if a broker is involved. In these cases, the broker is obliged to retain sufficient documentation. With regard to national jurisdictions, this sentence should be rephrased “The insurer or intermediary should retain sufficient documentation”.</p> <p>Guidance 19.7.6 is phrased as requiring both the insurer and intermediary to retain sufficient documentation that advice provided was appropriate</p> <p>This blurs the responsibilities between providers and distributors. Authorised intermediaries are accountable under their regulatory regime for the advice they provide, and should maintain appropriate records and controls in accordance with that regime. Therefore, it should not be necessary for insurers to maintain duplicate copies of their records</p> <p>It is also likely that an intermediary would regard such information as proprietary and therefore may not be willing to share it in any case.</p>	See response to 163.
166. Monetary Authority of Singapore (MAS)	Singapore	No	IAIS may wish to specify a suggested period which the documentation is expected to be retained.	Considered it could be problematic to be prescriptive here.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
167. Zurich Insurance Group	Switzerland	No	As made clear in 19.7.7, in intermediated transactions the accountability for advice is with the intermediary in the first instance. Accordingly, 19.7.6 should be revised to read: "The insurer (in the case of direct distribution) and intermediary should retain sufficient documentation to demonstrate that the advice provided was appropriate, taking into account the customer's disclosed circumstances."	See response to 163.
168. Institute of International Finance	United States	No	This guidance seems to blur the responsibilities of insurers and intermediaries. An independently licenced intermediary will be accountable under the regulatory regime for the advice it provides and should maintain appropriate records and controls. Therefore, it should not be necessary for insurers to maintain duplicate records. It is also likely that intermediaries would consider such information surrounding its clients as proprietary and because of this may be unwilling to share it in any case.	See response to 163.
169. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
74 - Q74 Comment on Guidance 19.7.7				
170. World Federation of Insurance Intermediaries	Belgium	No	WFII proposes to delete this paragraph as it is too detailed and not high-level enough for a text on an international level.	Propose to leave. No real change to the current guidance.
171. Insurance Europe	Europe	No	This guidance requires insurers to review their agents' client files in order to check the quality of advice. This requirement is too far-reaching and may be counterproductive – even if they act on behalf of insurers, agents should not be led to remove their responsibilities towards clients.	This misunderstands the purpose, which would be to check that advice was appropriate.
172. Global Federation of	Global	No	This guidance requires that insurers review their agents' client files in order to check the quality of advice. This requirement is too far reaching and may be counterproductive – even if they act on behalf of insurers, agents should	This suggests the addition highlighted. Propose to leave. This could be considered covered within 19.3.4 (written agreements).

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Insurance Associations			<p>not be led to remove their responsibilities towards clients.</p> <p>In addition, the insurer should, <u>subject to appropriate confidentiality and privacy</u> considerations review its agents' "client files" to exercise independent control after the fact on the quality of the advice given by its agents, take any necessary remedial measures with respect to the delivery of advice and, if applicable, be in a position to examine fairly any complaints submitted to it.</p> <p>GFIA consider it a problem where an agent may have dealings with more than one insurance company, and the file might include information which should not be divulged to another insurer.</p>	<p>However, reference to "agent" updated to "those under their responsibility" and the guidance broadened to include both insurers and intermediaries.</p>
173. American Council of Life Insurers	Office of General Counsel	No	<p>ACLI recommends an edit to address the situation where an agent may have dealings with more than one insurance company; in such cases, the client's file might contain information that should not be divulged to another insurer. The edit would insert the parenthetical phrase :subject to appropriate confidentiality and privacy considerations," so the revised sentence would read: "In addition, the insurer should, SUBJECT TO APPROPRIATE CONFIDENTIALITY AND PRIVACY CONSIDERATIONS, review its agents' "client files" to exercise independent control after the fact on the quality of the advice given by its agents, take any necessary remedial measures with respect to the delivery of advice and, if applicable, be in a position to examine fairly any complaints submitted to it."</p>	<p>See response to 172.</p>
174. Institute of International Finance	United States	No	<p>We consider it a problem where an agent may have dealings with more than one insurance company, and the file might include information which should not be divulged to another insurer. Suggested edits:</p> <p>In addition, the insurer should, subject to appropriate confidentiality and privacy considerations review its agents' "client files" to exercise independent control after the fact on the quality of the advice given by its agents, take any necessary remedial measures with respect to the delivery of advice and, if applicable, be in a position to examine fairly any complaints submitted to it.</p>	<p>See response to 172.</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
175. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
176. MetLife	USA	No	<p>In addition, the insurer should, subject to appropriate confidentiality and privacy considerations, review its agents' "client files" to exercise independent control after the fact on the quality of the advice given by its agents, take any necessary remedial measures with respect to the delivery of advice and, if applicable, be in a position to examine fairly any complaints submitted to it.</p> <p>We consider it a problem where an agent may have dealings with more than one insurance company and the file might include information which should not be divulged to another insurer.</p>	See response to 172.
75 - Q75 Comment on Guidance 19.7.8				
177. World Federation of Insurance Intermediaries	Belgium	No	WFII proposes to delete this paragraph as it is too detailed and not high-level enough for a text on an international level.	There is no change to the current guidance. Propose to leave.
178. Dutch Association of Insurers	Netherlands	No	Please note that in jurisdictions, such as the Netherlands, insurers are not responsible for the (quality of) advice of independent intermediaries.	Noted.
179. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
76 - Q76 Comment on Standard 19.8				
180. Zurich Insurance Group	Switzerland	No	This section does not differentiate between the insurer and intermediary, leading to the potential confusion of the respective roles, as evidenced in subsequent comments to the guidances of 19.8.	Refer to comments below.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
181. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
77 - Q77 Comment on Guidance 19.8.1				
182. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
78 - Q78 Comment on Guidance 19.8.2				
183. Global Federation of Insurance Associations	Global	No	Where compensation structures do not align the interests of the insurer and intermediary, including a) those of the individuals carrying out intermediation activity; and b) <u>the contract structure</u> , with the interests of the customer, they can encourage behaviour that results in unsuitable sales or other breach of the insurer's or intermediary's duty of care towards the customer.	Relates to 19.8.3, proposing to adding wording highlighted. Propose to leave – this would be implied by the current wording.
184. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
79 - Q79 Comment on Guidance 19.8.3				
185. Zurich Insurance Group	Switzerland	No	As made clear in 19.8.7, in intermediated transactions the accountability for management of conflicts of interest is with the intermediary in the first instance. Further, the draft references a “duty of care”, whereas other paragraphs describe the duty differently. As there are different terminologies and different levels of duty owed, it would be more appropriate to refer to “duty” generally rather than to attempt to further describe it here. This is the approach applied in 19.8.4. Accordingly, 19.8.3 should be revised to read: “... they can encourage behaviour that results in unsuitable sales or other	Agreed to make the terminology consistent as “duty of care” (the standard is about managing conflicts of interest rather than duties more broadly). 19.8.4 revised accordingly.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			breach of the insurer's (in the case of direct distribution) or intermediary's duty towards the customer."	
186. Institute of International Finance	United States	No	Suggested edits: Where compensation structures do not align the interests of the insurer and intermediary, including a) those of the individuals carrying out intermediation activity; and b) the insurance contract, with the interests of the customer, they can encourage behaviour that results in unsuitable sales or other breach of the insurer's or intermediary's duty of care towards the customer.	See response to 183.
187. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
80 - Q80 Comment on Guidance 19.8.4				
188. AIA Group	Hong Kong	No	It is fundamental to AIA that its customers are treated fairly at all times. However, we note that in practice it may be difficult to consistently measure customer outcomes. As such, we suggest that the first sentence of ICP 19.8.4 be reworded to say: If other incentives include performance targets and performance management criteria, these should to the extent possible link to customer outcomes.	For clarity, agreed to add "that may create a conflict of interest" after "Incentives"
189. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
190. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Additional guidance regarding the distinction between incentives and inducements would be helpful. The term inducement appears to have a negative connotation and suggests an inducement results in a conflict of interest.	"Inducements" described in para 19.8.5, so not necessary.
81 - Q81 Comment on Guidance 19.8.5				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
191. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
192. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Additional guidance regarding the distinction between incentives and inducements would be helpful. The term inducement appears to have a negative connotation and suggests an inducement results in a conflict of interest.	See response to 190.
82 - Q82 Comment on Guidance 19.8.6				
193. World Federation of Insurance Intermediaries	Belgium	No	We suggest to delete in this paragraph the word best as the concept of “best interests” is unclear and could lead to legal interpretation problems.	Agreed to delete this paragraph, as the substance is already covered in other paragraphs.
194. Insurance Europe	Europe	No	<p>Remuneration methods alone do not automatically justify any conclusions regarding potential conflicts with a risk of damage to the interests of the customer. The simple existence of different party interests in business is normal, no matter if the business relation is conducted by two parties (fee-based advice) or three parties (commission-based distribution). Different interests are not synonymous with damage to the customer’s interest. All remuneration models should be addressed – or not addressed – in the same way.</p> <p>The one-sided focus on remuneration paid by a third party is too narrow in terms of consumer protection. Commission-based distribution should not be explicitly singled out.</p> <p>We invite the IAIS to redraft this sentence by deleting the word “generally” or in a way allowing for a “level playing field” between commission-based distribution and fee-based advice.</p> <p>We also propose to add the following after “...if it leads to customer detriment.”: “Some jurisdictions may impose stricter requirements on distributors. In particular, jurisdictions may additionally prohibit or further</p>	See response to 193.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>restrict the offer or acceptance of fees, commissions or non- monetary benefits from third parties in relation to the provision of insurance advice. The stricter requirements should have legal basis in national law. In the EU, there is a member state option to prohibit or further restrict the offer or acceptance of fees, commissions or non- monetary benefits from third parties in relation to the provision of insurance advice.”</p>	
195. GDV - German Insurance Association	Germany	No	<p>Remuneration methods alone do not automatically justify any conclusions regarding potential conflicts with a risk of damage to the interests of the customer. The simple existence of different party interests in business is normal, no matter if the business relation is conducted by two parties (fee-based advice) or three parties (commission-based distribution). Different interests are not synonymous with damage to the customer’s interest. All remuneration models should be addressed – or not addressed – in the same way. The one-sided focus on remuneration paid by a third party is too narrow in terms of consumer protection. Commission based distribution should not be explicitly singled out.</p> <p>Hence, we request the IAIS either to redraft the first sentence by deleting the word „generally“ or in a way ensure a level playing field between commission-based distribution and fee-based advice.</p>	See response to 193.
196. Global Federation of Insurance Associations	Global	No	<p>Remuneration methods alone do not automatically justify any conclusions regarding potential conflicts with a risk of damage to the interests of the customer. The simple existence of different party interests in business is normal, no matter if the business relation is conducted by two parties (fee-based advice) or three parties (commission-based distribution). Different interests are not synonymous with damage to the customer’s interest. All remuneration models should be addressed – or not addressed – in the same way.</p> <p>The one-sided focus on remuneration paid by a third party is too narrow in terms of consumer protection. Commission-based distribution should not be explicitly singled out.</p>	See response to 193.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			GFIA invites the IAIS to redraft this sentence by deleting the word “generally”, or in a way allowing for a “level playing field” between commission-based distribution and fee-based advice.	
197. Dutch Association of Insurers	Netherlands	No	Please see our comments on 18.5.15. Please note that in the light of the articles 22 (3) IDD and article 29 (3) IDD Member States of the EU have the option to go beyond the provisions and are allowed to impose stricter requirements. In particular, jurisdictions may additionally prohibit or further restrict the offer or acceptance of fees, commissions or non- monetary benefits from third parties. Such as the case in the Netherlands.	Noted
198. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
199. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	If the reference to inducements is left in the ICPs, the first sentence should be deleted or rephrased to clarify that an inducement may lead to a conflict of interest. It should not be presumed an inducement creates a conflict of interest. In addition, the use of the phrase “customer’s best interest” may suggest a fiduciary duty. Suggest using the phrase “customer’s interests” instead.	Para now deleted.
83 - Q83 Comment on Guidance 19.8.7				
200. World Federation of Insurance Intermediaries	Belgium	No	We propose to delete this paragraph as its content is already covered by the previous paragraphs of this standard.	Most of this material is not already covered.
201. ON BEHALF OF MYSELF	BRAZIL	No	I suggest the inclusion of a new bullet point in this guidance:“where the intermediary makes a biased advise in order to sell the product of the insurer that pays the better commission, even if this product is not appropriate to customer needs”.	Considered that this is dealt with in 18.5.16.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
202. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
203. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	First bullet, the use of the phrase “customer’s best interest” may suggest a fiduciary duty. Suggest using the phrase “customer’s interests” instead. Sixth bullet, suggest changing the word “inducement” to “incentive”. This would be consistent with the use of the phrase “non-financial incentives” in 19.8.9.	Discussed at length with no suitable alternative found. “Customers’ interest” would be seen to lower the bar and weaken the guidance. Taking 19.8.5 into account, agreed that “inducement” is the better word to use here.
84 - Q84 Comment on Guidance 19.8.8				
204. Zurich Insurance Group	Switzerland	No	As made clear in 19.8.7, in intermediated transactions the accountability for management of conflicts of interest is with the intermediary in the first instance. Accordingly, 19.8.8. should be revised to read: “The supervisor should require that insurers (in the case of direct distribution) and intermediaries take all reasonable steps to identify and avoid or manage conflicts of interest, and communicate these through appropriate policies and procedures.”	Propose to leave. Conflicts can arise beyond distribution processes.
205. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
85 - Q85 Comment on Guidance 19.8.9				
206. ON BEHALF OF MYSELF	BRAZIL	No	Some clarification is need since it is not clear in which cases managing conflict of interest through disclosure of information or obtaining informed consent from customers have limitations.	Agreed to add “where the customer does not fully appreciate the conflict or its implications”
207. Global Federation of	Global	No	Paragraph 19.8.9 about conflicts of interests states that “managing conflicts of interest through disclosure or obtaining informed consent from customers have limitations, and could be seen to place unreasonable onus on the	Noted, but no guarantee.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Insurance Associations			customer". Disclosure and obtaining informed consent are two of the best ways of informing consumers of a perceived potential conflict.	
208. General Insurance Association of Japan	Japan	No	19.8 provides that "the supervisor requires insurers and intermediaries to avoid or properly manage any potential conflicts of interest, before concluding an insurance contract", and accordingly 19.8.8 explains that "the supervisor should require that insurers and intermediaries take all reasonable steps to identify and avoid or manage conflicts of interest". As "appropriate disclosure" described in 19.8.9 can be seen as one of the steps mentioned in 19.8.8, we suggest adding "For example" at the beginning of the first sentence.	Propose to leave. Disclosure in this sentence is concerned with identification of a potential conflict. Informed consent is not about identification, but management.
209. Monetary Authority of Singapore (MAS)	Singapore	No	We think that the limitations and "unreasonable onus on customer" would apply to only a certain group of customers or scenarios (for instance, lowly educated consumers). This should be clarified in the guidelines.	See response to 206.
210. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
86 - Q86 Comment on Guidance 19.8.10				
211. World Federation of Insurance Intermediaries	Belgium	No	WFII strongly opposes the prohibition of any form of remuneration. It is counter to free market principles and it is not in the best interest of the consumer as it limits consumer choice. We therefore propose to delete in this paragraph the following sentence: Examples from some jurisdictions include: • prohibitions on certain types of financial interest; and • structural changes to the retail distribution model, such as by prohibiting the payment or receipt of commission on investment products in favour of a fee-based approach.	Agreed to delete the bullet point examples, as they are now included as examples in the Intermediaries AP. (Similar comments and treatment in ICP 18.)
212. Insurance Europe	Europe	No	We would question whether supervisors have the power to require measures such as those listed, where there is no legal basis nor judicial control. Therefore, we propose that the text reads as follows:	See response to 211.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>“Where conflicts of interest cannot be managed satisfactorily, this should result in the insurer or intermediary declining to act. In cases where the supervisor may have concerns about the ability of insurers and intermediaries to manage conflicts of interest adequately, the supervisor may consider requiring other measures, in compliance with the applicable regulatory framework. Examples from some jurisdictions include:</p> <ul style="list-style-type: none"> • prohibitions on certain types of financial interest; and • structural changes to the retail distribution model, such as by prohibiting the payment or receipt of commission on investment products in favour of a fee-based approach.” 	
213. Global Federation of Insurance Associations	Global	No	<p>GFIA would question whether supervisors have the power to require measures such as those listed, where there is no legal basis nor judicial control. Therefore, GFIA proposes that the text reads as follows:</p> <p>“Where conflicts of interest cannot be managed satisfactorily, this should result in the insurer or intermediary declining to act. In cases where the supervisor may have concerns about the ability of insurers and intermediaries to manage conflicts of interest adequately, the supervisor may consider requiring other measures, in compliance with the applicable regulatory framework. Examples from some jurisdictions include:</p> <ul style="list-style-type: none"> • prohibitions on certain types of financial interest; and • structural changes to the retail distribution model, such as by prohibiting the payment or receipt of commission on investment products in favour of a fee-based approach.” 	See response to 211.
214. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	<p>On the one hand, in FINMA’s opinion, prohibition on certain types of financial interest or prohibiting the payment or receipt of commissions appears to be a too strong measure, and should not be mentioned as an example in Guidance. On the other hand, examples from jurisdictions should not be included in ICP’s, but rather in application/issues papers. Therefore, FINMA suggests deleting the examples.</p>	See response to 211.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
215. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
87 - Q87 Comment on Standard 19.9				
216. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
88 - Q88 Comment on Guidance 19.9.1				
217. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
89 - Q89 Comment on Guidance 19.9.2				
218. AIA Group	Hong Kong	No	AIA is committed to providing its customers with the right solutions to achieve financial security. While AIA is supportive of maintaining a relationship with customers throughout the policy lifecycle, it may be in some cases impractical to do so (e.g. when a customer moves address without informing the insurer).	Noted – this would be beyond the insurer's control, although it could take steps to trace policyholders where necessary.
219. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
90 - Q90 Comment on Guidance 19.9.3				
220. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
91 - Q91 Comment on Guidance 19.9.4				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
221. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
92 - Q92 Comment on Guidance 19.9.5				
222. Global Federation of Insurance Associations	Global	No	GFIA is of the view that it should be a regulatory requirement that the identity of the insurer is clearly and prominently disclosed in all client-facing documentation and marketing and advertising material. When trade names are used, the actual identity of the insurer is not always clear.	Addressed through an additional bullet in 19.5.3. NB 19.5 is concerned with pre-sale/point of sale disclosure. 19.9 is more concerned with changes.
223. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
93 - Q93 Comment on Guidance 19.9.6				
224. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
94 - Q94 Comment on Guidance 19.9.7				
225. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
95 - Q95 Comment on Guidance 19.9.8				
226. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
96 - Q96 Comment on Guidance 19.9.9				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
227. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
97 - Q97 Comment on Standard 19.10				
228. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
98 - Q98 Comment on Guidance 19.10.1				
229. Global Federation of Insurance Associations	Global	No	It is unclear how claims handling might result in a conflict of interest. GFIA respectfully request further clarification on the inclusion of this concept in this paragraph.	Wording re conflict of interest deleted here, but added to 19.10.7 in describing a fair claims assessment process (for better fit).
230. Monetary Authority of Singapore (MAS)	Singapore	No	IAIS may wish to provide more elaboration on the expected claims handling and claims dispute resolution procedures that could also avoid potential conflicts of interest besides being fair and transparent.	See response to 229.
231. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
99 - Q99 Comment on Guidance 19.10.2				
232. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
100 - Q100 Comment on Guidance 19.10.3				
233. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
101 - Q101 Comment on Guidance 19.10.4				
234. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
102 - Q102 Comment on Guidance 19.10.5				
235. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
103 - Q103 Comment on Guidance 19.10.6				
236. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
104 - Q104 Comment on Guidance 19.10.7				
237. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
105 - Q105 Comment on Guidance 19.10.8				
238. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
106 - Q106 Comment on Guidance 19.10.9				
239. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
107 - Q107 Comment on Guidance 19.10.10				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
240. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
108 - Q108 Comment on Guidance 19.10.11				
241. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
109 - Q109 Comment on Guidance 19.10.12				
242. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
110 - Q110 Comment on Standard 19.11				
243. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
111 - Q111 Comment on Guidance 19.11.1				
244. Institute of International Finance	United States	No	The description is fairly wide ("an expression of dissatisfaction") without any reference to materiality, alleged loss, distress or inconvenience. The currently worded wide definition may trigger the requirement for comprehensive investigation of frivolous "complaints". Instead of the current description could be changed to read "an expression of dissatisfaction which alleges loss or material distress or inconvenience"	There is no change to the current guidance. The suggestion here is too narrow.
245. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
246. National Association of Insurance	USA, NAIC	No	This section should clarify that a complaint is a written expression (i.e., it is something more substantial than a phone call).	Complaints do not necessarily need to be made in writing.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Commissioners (NAIC)				
112 - Q112 Comment on Guidance 19.11.2				
247. Monetary Authority of Singapore (MAS)	Singapore	No	These requirements may be onerous on insurance intermediaries, particularly individual insurance agents/sole proprietors. As such, IAIS may wish to consider providing leeway for such intermediaries to rely on their insurers' complaint policies and procedures to fulfil these requirements since oversight of agents ultimately lies with their insurers for whom they are acting on behalf of.	Agreed to delete some of the specific detail here ("written", "agreed at Senior Management level"), as policies and procedures already covered in 19.2.
248. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
113 - Q113 Comment on Guidance 19.11.3				
249. Monetary Authority of Singapore (MAS)	Singapore	No	These requirements may be onerous on insurance intermediaries, particularly individual insurance agents/sole proprietors. As such, IAIS may wish to consider providing leeway for such intermediaries to rely on their insurers' complaint policies and procedures to fulfil these requirements since oversight of agents ultimately lies with their insurers for whom they are acting on behalf of.	See response to 247.
250. Zurich Insurance Group	Switzerland	No	<p>Policies and procedures are typically internal documents and often contain propriety information. Moreover, a consumer is unlikely to find policies and procedures written for internal staff particularly accessible, useful or practical for their purposes.</p> <p>We believe it is more practical and useful to provide well designed and structured information about complaints procedures than to provide raw internal documents.</p> <p>A better wording in 19.11.3 would therefore be:</p>	<p>Agreed to add: "information on"</p> <p>Also mentioned in 19.6.15.</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			"Insurers and intermediaries should make information about their procedures on complaints handling available to customers."	
251. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
114 - Q114 Comment on Guidance 19.11.4				
252. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
115 - Q115 Comment on Guidance 19.11.5				
253. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
116 - Q116 Comment on Guidance 19.11.6				
254. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
117 - Q117 Comment on Guidance 19.11.7				
255. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
118 - Q118 Comment on Guidance 19.11.8				
256. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
119 - Q119 Comment on Guidance 19.11.9				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
257. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
120 - Q120 Comment on Guidance 19.11.10				
258. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
259. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The third sentence specifies decisions are non-binding for the policyholder and may be binding for the insurer. This should be modified to reflect decisions may be binding for both the policyholder and the insurer.	Added "generally".
121 - Q121 Comment on Guidance 19.11.11				
260. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
122 - Q122 Comment on Standard 19.12				
261. Insurance Europe	Europe	No	The issue of protection and use of information on customers is not specifically related to insurance activities. In most countries, this issue is dealt with through legislation dedicated to personal data protection under the supervision of a specific authority. We would like to warn the IAIS about the risk of inconsistencies and legal uncertainties resulting from a dual regime of supervision.	In substance there is no change to the existing standard (except for the combination of two current standards into one).
262. Global Federation of Insurance Associations	Global	No	The issue of protection and use of nonpublic personal information on customers is not specifically related to insurance activities. In most countries, this issue is dealt with through legislation dedicated to personal data protection under the supervision of a specific authority. GFIA would caution the IAIS that there is a risk of inconsistencies and legal uncertainties resulting from a dual regime of supervision. Inconsistency	Please see response to 261. Please also note that this is an area of increasing interest to conduct supervisors and concerns the use of consumer and protection of non-public consumer data.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>across jurisdictions is further enhanced by the vague terms used in these principles that can be interpreted in many ways by different jurisdictions. For example, what is “appropriate technology” or “aggressive marketing practices”? GFIA recommends using the phrase “nonpublic personal information” throughout the standard rather than the overly general phrases “customer information” or “other information”.</p> <p>In some jurisdictions, insurers are subject to federal and provincial privacy legislation governed by privacy commissioners. Placing expectations on insurance supervisors to regulate nonpublic personal information protection and privacy matters could add an additional, and at times conflicting, level regulation that adds little, if any, value to insurance consumers and may put an insurer in a difficult position of violating one rule to comply with another. In addition, some of the principles suggest actions that may be practically impossible to achieve.</p>	The standard is high-level and non-prescriptive.
263. American Council of Life Insurers	Office of General Counsel	No	<p>ACLI offers an observation and an edit. We observe that the issue of protection and use of information on customers is not specifically related to insurance activities. In most countries, this issue is dealt with through legislation dedicated to personal data protection under the supervision of a specific authority. We would like to warn the IAIS about the risk of inconsistencies and legal uncertainties resulting from a dual regime of supervision. In some jurisdictions, insurers are subject to federal and provincial privacy legislation governed by privacy commissioners. In those regimes, placing expectations on insurance supervisors to regulate consumer information protection and privacy matters could add an additional level regulation that adds little, if any, value to insurance consumers. As an edit, ACLI recommends using the phrase “nonpublic personal information” throughout the standard and guidance rather than the overly general phrase “customer information.”</p>	See response to 262.
264. Zurich Insurance Group	Switzerland	No	<p>Given recent U.S. and EU policy developments, we propose the IAIS give increased focus to data protection.</p> <p>An Issues Paper on the matter with a view to a separate ICP may be appropriate. This could look either look at the harmonization of data protection requirements or document existing major standards. It could also</p>	<p>Noted.</p> <p>The IAIS is working on an Issues Paper on the increasing use of digitalisation in insurance and will start work on a project on</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			address the division of data protection supervision across various authorities, as the discussion in ICP 19 does not acknowledge that in many jurisdictions, the insurance supervisor is not the supervisory authority with respect to data privacy.	the use and protection of data in insurance and its supervision.
265. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
123 - Q123 Comment on Guidance 19.12.1				
266. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
124 - Q124 Comment on Guidance 19.12.2				
267. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
125 - Q125 Comment on Guidance 19.12.3				
268. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7. Note: an additional sentence added in connection with the legislation identifying the competent authority for data protection.
126 - Q126 Comment on Guidance 19.12.4				
269. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
127 - Q127 Comment on Guidance 19.12.5				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
270. World Federation of Insurance Intermediaries	Belgium	No	WFII proposes to delete the examples. This is too much detail for this high level ICP guidance.	Propose to leave. We consider the examples useful. Note: a sentence added regarding the supervisor's potential need to liaise with the competent authority.
271. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
128 - Q128 Comment on Guidance 19.12.6				
272. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
129 - Q129 Comment on Guidance 19.12.7				
273. Global Federation of Insurance Associations	Global	No	<p>The paragraphs on the management and use of customer information, are generally reasonable, although GFIA respectfully recommend a few minor changes to facilitate incorporating this principle into existing frameworks for consumer protections in as many jurisdictions as possible. GFIA suggests two edits. First, bullet two of 19.12.7 says that the supervisor should expect insurers to implement "policies and procedures relating to the use of data, ensuring that the data collected is used in a fair manner including when processed through algorithms or other technologies." GFIA suggests modifying the language so it tracks the main provision in 19.12.7, which requires that insurers do not use the customer information...in a manner that results in unfair treatment.</p> <p>The revised bullet would read: "...implementing policies and procedures relating to the use of data, ensuring that the data collected is not used in an unfair manner, including when processed through algorithms or other technologies;..." This modification will also improve the connection between the principle, which refers to unfair treatment, and the</p>	<p>Agreed to accept suggestion, for consistency of language – now crafted as "not...unfair".</p> <p>Also agree to add wording re implementation of policies and procedures (which the supervisor can require) rather than directly around the use of data (for which a different authority could be responsible.)</p>

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			<p>recommended actions in the bullet point. It will also align better with existing consumer protection frameworks that are designed to prevent “unfair” treatment.</p> <p>Second, GFIA recommends a similar change for the third bullet point that requires insurers to ensure “...that such policies and procedures provide that customer data will not be abused to circumvent rules on prohibitions on aggressive marketing practices or discrimination”.</p> <p>The intent behind this statement seems reasonable, however, replacing “discrimination” with “unfair treatment” will better align the principle with legislative and regulatory frameworks in more jurisdictions. It is also more consistent with the overarching principle to avoid using customer data in a way that results in unfair treatment. It will also improve the clarity of the ICP, which elsewhere refers to “unfair treatment,” not discrimination. The revision would read: “...that such policies and procedures provide that customer data will not be abused to circumvent rules on prohibitions on aggressive marketing practices or unfair treatment”.</p>	<p>Note: a sentence added regarding the supervisor’s potential need to liaise with the competent authority.</p> <p>Propose to leave – aggressive marketing practice and discrimination are both examples of unfair treatment.</p>
274. American Council of Life Insurers	Office of General Counsel	No	<p>The paragraphs on the management and use of customer information, are generally reasonable, although we respectfully recommend a few minor changes to facilitate incorporating this principle into existing frameworks for consumer protections in as many jurisdictions as possible. We suggest two edits. First, bullet two of 19.12.7 says that the supervisor should expect insurers to implement “policies and procedures relating to the use of data, ensuring that the data collected is used in a fair manner including when processed through algorithms or other technologies.” We suggest modifying the language so it tracks the main provision in 19.12.7, which requires that insurers do not use the customer information...in a manner that results in unfair treatment (emphasis added). The revised bullet would read: “...implementing policies and procedures relating to the use of data, ensuring that the data collected is NOT used in a UNfair manner, including when processed through algorithms or other technologies;...” This modification will also improve the connection between the principle, which refers to unfair treatment, and the recommended actions in the bullet point. It will also align better with existing consumer protection frameworks that</p>	See response to 273.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			are designed to prevent “unfair” treatment. Second, we recommend a similar change for the third bullet point that requires insurers to ensure “...that such policies and procedures provide that customer data will not be abused to circumvent rules on prohibitions on aggressive marketing practices or discrimination.” The intent behind this statement seems reasonable; however, replacing “discrimination” with “unfair treatment” will better align the principle with legislative and regulatory frameworks in more jurisdictions. It is also more consistent with the overarching principle to avoid using customer data in a way that results in unfair treatment. It will also improve the clarity of the ICP, which elsewhere refers to “unfair treatment,” not discrimination. The revision would read: “...that such policies and procedures provide that customer data will not be abused to circumvent rules on prohibitions on aggressive marketing practices or UNFAIR TREATMENT.”	
275. Monetary Authority of Singapore (MAS)	Singapore	No	The expectation to ensure that the data collected is used in a fair manner including when processed through algorithms or other technologies is vague. IAIS may wish to include examples to explain this point.	This is being followed up in Issues Papers, deserving more attention than can be given to it in this guidance.
276. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
277. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Fourth bullet, may want to consider including notification to customers regarding the use of certain data. If not, a customer may not know about the need to access and, if needed, correct the data.	Agreed to leave here but to consider for the Issues Paper to be developed.
130 - Q130 Comment on Guidance 19.12.8				
278. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
131 - Q131 Comment on Guidance 19.12.9				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
279. American Council of Life Insurers	Office of General Counsel	No	ACLI notes that an insurer or intermediary may not be able to comply with the requirement that all necessary data be accessible and readable at the insurer's or intermediary's domicile at any time in the case where the insurer or intermediary has operations in a jurisdiction that prohibits disclosure of information outside the jurisdiction. We suggest that the first sentence be revised to read: " All the necessary data required in the event of restructuring, resolution and liquidation should, subject to data protection requirements AND LEGAL LIMITATIONS ON DISCLOSURE OF DATA, be accessible and readable at the insurer's or intermediary's domicile at any time."	Would this not fall within "data protection requirements"?
280. Monetary Authority of Singapore (MAS)	Singapore	No	IAIS may wish to clarify the parties who could access and read the necessary data in the event of restructuring, resolution and liquidation.	It was considered that clarifying the parties here would require further discussion, with perhaps differences between jurisdictions depending on the legal framework. The MCWG will work on an Issues Paper on the use and protection of data, and this could be considered further within that work.
281. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
132 - Q132 Comment on Standard 19.13				
282. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
133 - Q133 Comment on Guidance 19.13.1				
283. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
134 - Q134 Comment on Guidance 19.13.2				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
284. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
135 - Q135 Comment on Guidance 19.13.3				
285. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
136 - Q136 Comment on Guidance 19.13.4				
286. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.
137 - Q137 Comment on Guidance 19.13.5				
287. Cincinnati Insurance Company	United States of America	No	See answer to Q1.	See response to comment 7.