



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

**Public**

## Compiled Stakeholders' Comments on *Consultation on ICP 10* with resolutions

131 - Q131 General Comment on ICP 10				
<p>Reinsurance Advisory Board (RAB)</p>	<p>EU</p>	<p>No</p>	<p>General comments on objectives and proportionality</p> <p>The below represent the Reinsurance Advisory Board's (RAB) general position on recovery and resolution frameworks (please also refer to response to ICP12). These comments which describe how the framework needs to be implemented appropriately and proportionately with regard to its objectives as they relate to reinsurance, are equally valid with regards to both recovery and resolution requirements.</p> <p>Background: The main driver for the development of a recovery and resolution framework for insurers at international level was the experience from the financial crisis during which government and regulatory officials were faced with the sudden failure of systemically connected financial institutions. This required immediate intervention ("weekend resolution") to prevent systemic failure and damage to the real economy. These past developments also form the basis of the FSB's "Key Attributes of Effective Resolution Regimes for Financial Institutions" ("FSB Key Attributes") which have significantly influenced the emerging Comframe module.</p> <p>Objectives - financial stability and the real economy: Protection of financial stability and the real economy and specifically for insurance, policyholder protection, are listed as objectives for recovery and resolution in the FSB Key Attributes. These, in turn, influence the framework and objectives set out in ICP 10 and 12 regarding recovery and resolution. In this context, the RAB would like to stress that reinsurance in general does not pose systemic threat in the same way as banks or other potentially systemically connected companies may do. In fact, and as is elaborated in more detail in Insurance Europe's position paper "Why insurers differ from banks", by improving the resilience of individual primary insurance companies, reinsurance enhances financial stability.</p> <p>Lack of interconnectedness: Notwithstanding the very important role re-insurers play in supporting the activity of primary insurers by pooling tail risk globally, the interconnections between reinsurers and the rest of the financial system are unlikely to prove problematic from a systemic perspective. In fact, only around 5% of global primary insurance premiums are ceded to reinsurers. This risk is partially passed on through insurance-linked securities to capital markets and other reinsurers. But total ILS issuance is equivalent to around 0.1% of global insurance premiums. Retrocession (which consists of reinsurers buying reinsurance) is considered the main channel of direct interaction between reinsurers. Retrocession is mainly used for peak risk exposures and amounts to 13% of global</p>	<p>Noted.</p>

		<p>reinsurance premiums and a mere 0.6% of global insurance premiums. Risks are retroceded only once and this process rarely occurs between top reinsurers but more often involves second or third tier reinsurers. Consequently, there is no network-like inter-insurance market similar to the interbank market and the systemic risk potential is correspondingly much lower. It has been shown (in particular by the French regulator) that even an extreme scenario in which all reinsurers in a market fail, would only adversely impact a small number of insurers, without leading to the materialisation of counterparty risk. As the IAIS noted in a 2011 study, "the (re)insurance sector has built in circuit breaks" and "connections between reinsurers are weak and most likely immaterial".</p> <p>Reinsurance is not a "critical function": Furthermore, in order to satisfy the criteria for the definition of a critical function, an activity should not be easily substituted and must have a material impact on the financial system and the real economy should it fail. The RAB believes that reinsurance would not satisfy either of these criteria. Regarding substitutability, in the case of an isolated reinsurance failure, expertise and capacity will remain in the market giving continued reinsurance options for primary writers. At an industry-wide level, major catastrophes lead to premium increases (a hard reinsurance market) with the consequent attraction of additional capital and reinsurance capacity.</p> <p>Objectives - policyholder protection: Regarding policyholder protection, the RAB would like to emphasise that reinsurance is a business to business activity. This has a number of important implications in the context of recovery and resolution frameworks:</p> <ul style="list-style-type: none"> <li>- Failure or entry into distress of a reinsurer will not have a direct impact on policyholders, and could only do so indirectly through the impact of the reinsurance failure on the direct writer.</li> <li>- Negative publicity surrounding financial difficulties for a reinsurance company and the corresponding impact on policyholders of such publicity will be significantly more limited than in the case of a direct insurer. This will provide the company and authorities with more time to address the issues and use the run-off and transfer/sale tools than would be the case for a direct writer (or banks, more generally).</li> <li>- In the event of reinsurance default, the ceding company as a professional counterparty will be in an appropriate position to engage regarding any claim it may have on the failed reinsurer; it will not need a resolution authority to step in to protect or maximize its interests, as long as a clear legal framework is in place regarding the priority of claims on liquidation etc. This is, however, different for direct policyholder who, without the resolution authority</li> </ul>	
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			and link to the Insurance Guarantee Scheme, would not be in the same position to protect their interests.	
Insurance Europe	Europe	No	<p>Insurance Europe generally agrees with the provisions of ICP 10 and its accompanying Guidance, however it highlights the following three key concerns:</p> <ol style="list-style-type: none"> <li>1. Insurance Europe notes that preventive measures/early intervention powers should not be triggered unless there is a breach of PCR - which is in fact not a minimum requirement, the MCR is. Otherwise, the point at which the measures are taken would become a new regulatory intervention level, which would lead to an inflation of capital requirements. This remark is particularly pertinent for regulatory frameworks already foreseeing different levels of required capital enabling an adequate ladder of intervention.</li> <li>2. Insurance Europe believes a recovery plan should only be required when this would provide a tangible benefit and per the principle of proportionality. (Note: in its detailed response Insurance Europe sets out a number of principles to follow when drafting a recovery plan).</li> <li>3. Insurance Europe strongly supports the inclusion in this ICP of provisions around transparency and accountability of supervisory actions, which should be regarded in strong relation with the intended flexibility around the exercise of supervisory judgement and discretion.</li> </ol>	<ol style="list-style-type: none"> <li>1. The respondent appears to regard preventive measures and early intervention powers as the same. This ICP does not. Preventive measures are early-stage measures to be taken before a problem becomes serious and will usually involve dialogue with the firm. They may be needed to address many issues other than capital shortfall. Early intervention powers (which include resolution powers for the supervisor/resolution authority to step in while there is still positive net value in the insurer) should be triggered based on the criteria established for use of such powers in the jurisdiction.</li> <li>2. Agreed. When applied sensibly and proportionately, the process of considering a recovery plan (i.e., thinking about what you would do in a situation of serious stress) is likely to be of benefit to many insurers.</li> <li>3. Noted.</li> </ol>
GDV - German Insurance Association	Germany	No	<p>The German Insurance Association appreciates the opportunity to comment on ICP 10. We welcome that supervisory measures should base on clear, objective and transparent general criteria. We want to add that measures and sanctions must be compliant with the special jurisdiction's legal framework. This should be explicitly mentioned in ICP 10. Supervisory measures and sanctions require legal justification. This is also valid for preventive measures at early stage: as long as levels of compliance are not breached, there is no need to intervene.</p> <p>Against this background, the ICP should reflect that supervisors may only require a</p>	<p>Noted.</p> <p>There is no suggestion in the ICP text (or anywhere else in IAIS material) that supervisors can, or should, act in an <i>ultra vires</i> manner. There is no need to state in ICP 10 that supervisory actions need to be compliant with the legal framework.</p> <p>Preventive measures are intended to stop problems arising and to avoid breaches of requirements. It is precisely at an early stage that intervention (which may simply be a conversation with the insurer) is needed.</p>

			<p>recovery plan if special circumstances like significant threat to the policyholders' interests or to financial stability arise. If the probability of an insurer to enter in regulatory recovery is low, a recovery plan should be less or not necessary.</p> <p>Moreover, we want to point out, that the responsibility or influence of the Head of the IAIG on group members could be very limited according to company law. Apart from a few group aspects, the local management board is responsible for compliance at local entity level. Depending on the group structure, supervisory measures or sanctions need to reflect any limitation. Responsibility of the Head of the IAIG and supervisory measures or sanctions should correspond.</p>	<p>Disagree. The supervisor should require a recovery plan where it is necessary and this decision does not necessarily be based on the probability of problems occurring but on other aspects of proportionality.</p> <p>Models of corporate governance, company law, and supervisory approaches to groups, vary. We do not see the need to adjust this ICP to address the point made.</p>
Global Federation of Insurance Associations	Global	No	<p>The provisions of ICP 10 and the related ComFrame material suggest that the supervisor should have sufficient powers to address any breach of a regulatory requirement and to take/escalate supervisory actions in order to bring the insurer/insurer group into compliance. Our primary concern with these provisions, and the consultation in general, is that the supervisor is often granted wide latitude, discretion and scope to impose preventive, corrective and even punitive measures, with very little restrictions.</p> <p>Yet for those ICPs focused on obligations of the insurer (e.g., ICPs 3 and 9), the guidance is often intrusive, granular and prescriptive. In order for the ICPs and ComFrame to be effective, there must be a balanced regulatory approach.</p> <p>GFIA expects supervisors to respect insurers right to run their business without excessive regulatory intrusion.</p> <p>And when supervisors need to exercise their enforcement authority, GFIA expects supervisors to do so in a measured, disciplined manner.</p> <p>GFIA highlights the following concerns with ICP 10:</p> <p>1. Preventive measures/early intervention powers should not be triggered unless there is a breach of the applicable capital standard. Otherwise, the point at which the measures are taken would become a new regulatory intervention level, which would lead to an inflation of capital requirements.</p> <p>GFIA believes a recovery plan should provide a tangible benefit and should be developed</p>	<p>Noted.</p> <p>The restrictions on the supervisor arise from the fact that concerns need to be well-founded, that measures applied need to be proportionate and reasonable, and so on.</p> <p>This difference should be expected. The supervisory framework often requires insurers to do specific things in specific circumstances. The same supervisory framework allows the supervisor to do a wide range of things to cover a wide range of circumstances. Agreed – the ICPs do not encourage excessive regulatory intrusion.</p> <p>Agreed – the ICPs encourage the measured, thoughtful exercise of supervisory judgement and powers.</p> <p>Again this appears to be a misunderstanding of what preventive measures are. See response to Insurance Europe comment above.</p> <p>See response to Insurance Europe comment</p>

			pursuant to the principle of proportionality.	above.
International Actuarial Association	International	No	The re-written contents of ICP 9 are well organized and read much better than the current version.  In general, the ComFrame additions seem appropriate and well placed.	Noted.
Swiss Re	Switzerland	No	Kindly note this is a joint submission by Swiss Re and Zurich Insurance Group.  Proportionality  Comparing with the material on ICP10, 12 and ComFrame Module 3 Element 3 proposed by the IAIS in the 2Q16 informal consultation, we appreciate that the proportionality principle, building on ICP0 Introduction and Assessment Methodology, is now mentioned in ICP10. With due consideration though for the critical role the principle plays in recovery, we consider that the principle, and its application, are not yet sufficiently articulated. For instance, proportionality acts as a differentiating factor when the decision is made whether or not proposed measures actually apply. Equally proportionality acts as a guide in elaborating recovery plans. The language does not seem to elaborate on these different facets of proportionality. Recovery including recovery planning places a significant burden on both supervisors, related authorities, and insurers. It is therefore necessary that each is provided with guidance on how to allocate resources.  Structure  The inclusion of recovery planning under the heading of corrective measures (ICP10.3) is not ideal. The requirement to create a recovery plan is neither truly a preventive nor a corrective measure according to ICP10.3.3: "The supervisor may require an insurer to produce [...] that identifies in advance options [...] apply the recovery plan as a corrective measure if the insurer comes under severe stress." In other words: Insurers may be required to create recovery plans as a precautionary, forward-looking measure, rather than as a response to a breach of regulatory requirements. The confusion is most significant even when reviewing ICP10.3.3 with the IAIG level requirements stated in CF10.3a. An option could therefore be to address recovery planning separately, possibly ahead of ICP10.2 and 10.3, or for instance altogether in ICP16 on Enterprise Risk Management.	Noted.  The current ICP language is very flexible in the area of recovery planning.  See text on 10.3 below.
Zurich Insurance	Switzerland	No	Kindly note this is a joint submission by Swiss Re and Zurich Insurance Group.	See comment above from Swiss Re.

Company Ltd.	d		<p><b>Proportionality</b>  Comparing with the material on ICP10, 12 and ComFrame Module 3 Element 3 proposed by the IAIS in the 2Q16 informal consultation, we appreciate that the proportionality principle, building on ICP0 Introduction and Assessment Methodology, is now mentioned in ICP10. With due consideration though for the critical role the principle plays in recovery, we consider that the principle, and its application, are not yet sufficiently articulated. For instance, proportionality acts as a differentiating factor when the decision is made whether or not proposed measures actually apply. Equally proportionality acts as a guide in elaborating recovery plans. The language does not seem to elaborate on these different facets of proportionality.</p> <p>Recovery including recovery planning places a significant burden on both supervisors, related authorities, and insurers. It is therefore necessary that each is provided with guidance on how to allocate resources.</p> <p><b>Structure</b>  The inclusion of recovery planning under the heading of corrective measures (ICP10.3) is not ideal. The requirement to create a recovery plan is neither truly a preventive nor a corrective measure according to ICP10.3.3: "The supervisor may require an insurer to produce [...] that identifies in advance options [...] apply the recovery plan as a corrective measure if the insurer comes under severe stress."  In other words: Insurers may be required to create recovery plans as a precautionary, forward-looking measure, rather than as a response to a breach of regulatory requirements. The confusion is most significant even when reviewing ICP10.3.3 with the IAIG level requirements stated in CF10.3a.  An option could therefore be to address recovery planning separately, possibly ahead of ICP10.2 and 10.3, or for instance altogether in ICP16 on Enterprise Risk Management.</p>	
Association of British Insurers	United Kingdom	No	<p>The ABI suggests that this ICP also states that measures and sanctions, as well as timely, necessary to achieve the objectives of insurance supervision, and based on clear, objective, consistent, and publicly disclosed general criteria, must be proportionate. This would better reflect the overarching concept of proportionality, as identified in the Introduction and Assessment Methodology paper.</p>	<p>Noted.  It isn't necessary to mention proportionality here, as this is the introduction to ICP 10, and proportionality is already covered in the overall Introduction to all the ICPs.</p>
Chubb	United States	No	<p>In our view the ability to impose sanctions from misconduct should be separate from provisions related to recovery plans. The imposition of sanctions implies some intentional conduct or reckless behavior which may lead to sanctions imposed companies, even financially strong companies. Preventive and corrective measures on the other hand, are tools that can be utilized to assist a failing company which often has made poor business</p>	<p>Noted.  The overall text works better with ICP 10 and ICP 11 combined so do not propose to split them apart again.</p>

			decisions (such as inadequate pricing or reserving) or which suffered major CAT losses, which may or may not indicate a sanctionable offense. In such circumstances it is counter-productive to impose sanctions on a troubled company. For this reason, we recommend moving the language addressing the use of sanctions to a separate ICP.	
National Association of Mutual Insurance Companies	United States	No	<p>Q131 Comments on ICP10.</p> <p>ICP 10 suffers from lack of clarity and an overstatement of insurance supervisory power. It is also unclear from the ICP language what the recovery plan should entail. We only know what it is not according to the Consultation Document--Not an ORSA, not a Business Contingency Plan, not a living will. With all of the existing plans created to identify, measure, and mitigate or capitalize, more justification is needed for the Recovery Plan anticipated in this ICP. In addition, the provisions of ICP 10 give the supervisor significant latitude. NAMIC's concern with these provisions is that there are few limits on supervisory discretion to impose preventive, corrective and even punitive measures. For the ICPs and ComFrame to be effective, there must be a balanced regulatory approach. NAMIC encourages the appropriate division of responsibility between the supervisor and the management of the company and the elimination of unnecessary regulatory intrusion. We have identified ways to correct these problems with ICP 10 that should be addressed throughout:</p> <p>1. Requirements for Systemic vs. Non-systemic. NAMIC suggests that clearer expression of the differences between the requirements for companies that have been designated as systemically risky and those that have not would be helpful. A non-systemic IAIG may only be a large, international property-casualty company. There is no requirement in the definition of IAIG that they present any risk at all to the overall economy. All studies since the crisis agree that property-casualty insurance is not systemic. In fact, they may be providing stability in times of economic crisis. It does not make sense for such companies to be treated so drastically different than their non-international counterparts.</p> <p>2. Proportionality -- Systemic Risk or Solvency Protection? If proportionality is anticipated in the ComFrame provisions of ICPs 9 and 10 it does not come through in the consultation. We read the suggested application of the recovery planning to apply to all companies regardless of designation. Application of these requirements to non-GSII companies and especially to non-complex, non-interconnected, companies that simply write insurance will not address systemic risk. If any of these firms had the scope to transmit systemic risk to the larger economy they would have been designated as GSII. If the IAIS is not attempting to address systemic risks and instead are just worried about solvency, then there are better ways to assess and address solvency than requiring written, static, balance sheet-type recovery plans. Such plans only provide a point in time view of the organization. In fact, the day they are submitted they are out of date. A system of on-going insurer financial analysis,</p>	<p>See response to GFIA comment.</p> <p>The ICPs are not G-SII policy measures; they apply to all insurers. The G-SII policy measures apply only to companies that are designated as of systemic significance and not to anyone else.</p> <p>We believe it does. ICP10 allows plenty of room for supervisors to apply requirements in a proportionate and measured way.</p>



		<p>regular financial exams and more intensive plans once insurers have indicated they are on a trend toward hazardous financial condition, provides a more efficient and effective methodology to supervise any group.</p> <p>3. Burdens of Ineffective, Duplicative Regulation. The regulatory burden of the international standard setters has gone beyond useful if it is so expensive for firms that the regulatory requirements add considerably to the enterprise risk and contribute to failures instead of helping to prevent them. For small insurers, disproportionately impacted, the IAIS ICPs are already significantly increasing cost and adding more risk than they resolve. Recovery plans that must be updated annually by healthy insurers is regulation in the extreme. This is especially so when firms are already addressing enterprise risk: 1) by submitting ORSAs that assess, test stress and mitigate risk; 2) by creating Business Contingency Preparedness plans to address unexpected crises; and 3) by engaging in regular supervisory financial analysis to monitor the solvency condition closely. When regulation exceeds any real value and just creates significant cost it is time to rethink the standard-setting process altogether. A cost-benefit analysis before the adoption of international standards is recommended.</p> <p>4. Limits on Scope of Supervisory Authority. ICP 10 suggests there are unlimited powers of the groupwide supervisor to require and enforce power over all the legal entities in the group. Regardless of the language in a country's law or regulation, this is just not so. No group supervisor has power outside of its jurisdictional boundaries over affiliates that do not operate in their jurisdiction. They may be able to apply pressure but not to directly enforce or punish behavior except on those entities within their jurisdiction. To achieve full group supervision requires engagement in the supervisory colleges with the domiciliary regulator of the legal entity at fault for the infraction. The myth that some supervisors can exert power over the entire group, even non-insurance entities and entities that do not conduct any business in the jurisdiction needs to be eliminated from international standards. All authority over such entities is indirect for all insurance supervisors.</p> <p>5. Different Approaches to Fungibility. The discussions in the ICP's regarding fungibility create the perception that insurance groups will go insolvent. Only legal entities can be resolved. There may be more than one entity within a group that will be liquidated, but at the end of the day only legal entities go insolvent. We argue that the ICPs should recognize this fact. Fungibility of capital within a group or lack thereof is not the same in all jurisdictions, so the Consultation Document requires revision to reflect this fact.</p> <p>6. Recovery Plans Only After Trigger Hit. If any type of recovery plan would be beneficial it would only be after triggers had been hit indicating hazardous financial condition or breach of capital requirements. Anything more than that is just expensive busy work for insurers of any size or complexity.</p>	<p>Noted.</p> <p>See response to GFIA comment.</p>
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ACLI	US	No	<p>ACLI believes that the Recovery Plans elements and criteria (10.3.3 and CF 10.3a) should be moved to ICP 16, which addresses Enterprise Risk Management for solvency purposes. Consideration of Recovery Plans is correctly recognized within ICP 10 as "a part of the risk management process" (CF10.3a.7). As such, its proper location is ICP 16 where it will complement other elements and criteria that address risk management. Placing Recovery Plans within ICP 10 seemingly invites confusion with supervisory measures that may be implemented in the event an insurer or IAIG fails to meet a supervisor's identified concerns. This is adequately addressed in ICP 10.4 and elsewhere.</p> <p>Absent a breach of a solvency-related threshold, the insurer's ORSA should suffice without need for a separate recovery plan, perhaps with augmentation that addresses specific key risk(s) identified during mutual discussion of the ORSA among the insurer and affected supervisors (supervisory college). A high-level management tool may prove useful if properly considered and based upon information and processes identified by management. Any recovery plan must be the product of active discussion among the regulated entity and the proper supervisors. This should be facilitated by the supervisory college. If a Recovery Plan is agreed to by all affected parties, it should be a high-level document that focuses on the processes and tools available to the insurer/IAIG, and the key risks identified. It should not be a lengthy, detailed document based upon speculative events and redundant stress testing.</p> <p>Finally, a Recovery Plan for an insurer/IAIG should only be a requirement if there has been a breach of the relevant solvency control measure. In the event of an insurer crossing a solvency-related threshold, any recovery plan should be targeted to address the circumstances giving rise to the negative solvency developments. Consistent with the comment above, absent a breach the Supervisory Regulator should be able to rely upon the insurer's ORSA report. The ORSA should either demonstrate adequacy of capital for the insurer's business plan under normal and stressed conditions, or describe management actions to address any deficiencies. Absent the type of negative solvency scenario described above, a Recovery Plan should always be a discretionary matter for the insurer/IAIG.</p>	<p>See response to Swiss Re comment.</p> <p>If the respondent means that a recovery plan should only be prepared once a solvency-related threshold is triggered, then we respectfully disagree.</p>
American Insurance Association	USA	No	<p>The provisions of ICP 10 and the related ComFrame material suggest that the supervisor should have sufficient powers to address any breach of a regulatory requirement and to escalate supervisory actions in order to bring the insurer/insurer group into compliance. Our primary concern with these provisions is that the supervisor is often granted wide latitude, discretion and scope to impose preventive, corrective and even punitive measures, with very little restrictions. Yet for those ICPs focused on the obligations of the insurer -- such as ICPs 3 and 9 - the guidance is often intrusive, granular and prescriptive. In order for the ICPs and ComFrame to be effective, there must be a balanced regulatory approach. AIA</p>	<p>Noted. Please see responses to earlier comments.</p>

			expects supervisors to respect insurers right to run their business without excessive regulatory intrusion. When supervisors need to exercise their enforcement authority, we expect supervisors to do so in a measured, disciplined manner.	
Property Casualty Insurers Association of America (PCI)	USA	No	PCI endorses the comments of the Global Federation of Insurance Associations (GFIA).	Noted.
<b>133 - Q133 Comment on Introductory Guidance ICP 10.0.1</b>				
Insurance Europe	Europe	No	<p>Insurance Europe agrees the supervisor has the power to take preventive and corrective measures, and the supervisor should have the right to enforce those measures to ensure that the insurer responds to the supervisor's concerns. Insurance Europe suggests that provision for a system of sanctions should be made, in order to be imposed when an insurance undertaking does not comply with any applicable provisions.</p> <p>However, Guidance ICP 10.0.1 states that the supervisor should initiate escalating measures to prevent a breach of regulatory requirements by an insurer. Insurance Europe believes it would be more appropriate to state here that "the supervisor should increase engagement/review as an insurer becomes increasingly likely to breach regulatory requirements; such engagement needs to be taken in the context of the regulatory early intervention framework in place." Please also refer to the general comments on preventive measures in the response to Q164.</p>	<p>Noted.</p> <p>ICP 10 suggests a range of sanctions should be available.</p> <p>We have amended 10.0.2 to reflect that the initial step to deal with most issues will be dialogue and engagement with the insurer.</p>
Global Federation of Insurance Associations	Global	No	Guidance ICP 10.0.1 states that the supervisor should initiate escalating measures to prevent a breach of regulatory requirements by an insurer. GFIA believes it would be more appropriate to state the following here: "the supervisor should increase engagement/review as an insurer becomes increasingly likely to breach regulatory requirements; such engagement needs to be taken in the context of the existing regulatory early intervention framework."	Noted. See Insurance Europe comment.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	10.0.1 states that the supervisor should initiate escalating measures to prevent a breach of regulatory requirements by an insurer. It would be more appropriate to state here that "the supervisor should increase engagement / review as an insurer becomes increasingly likely to breach regulatory requirements; such engagement needs to be taken in the context of the regulatory framework in place."	Noted. See Insurance Europe comment.

134 - Q134 Comment on Introductory Guidance ICP 10.0.2				
ACLI	US	No	ACLI urges that the second sentence be revised to reflect the scope of an insurance supervisor's authority: "The more significant the threat to policyholders' interests or to financial stability, consistent with the supervisor's regulatory purview, then the quicker the supervisor will need...."	The text neither states nor implies that a supervisor should act outside their scope or purview.
135 - Q135 Comment on Introductory Guidance ICP 10.0.3				
Insurance Europe	Europe	No	<p>Guidance ICP 10.0.3 states that it is crucial that the supervisory framework leaves room for the exercise of supervisory judgement and discretion so flexibility should be allowed in the use of preventive measures, corrective measures and sanctions.</p> <p>Insurance Europe believes the Guidance should recognise that it is equally crucial for the operation of an efficient and competitive insurance market that a clear supervisory framework is in place which provides certainty for firms regarding the regulatory environment in which they operate. Such a framework should allow for transparency and accountability of supervisory actions. In this context the second last sentence needs to be strengthened in order to state that "other parts of the regulatory framework on preventive measures, corrective measures and sanctions should also be released publicly". And the following sentence should be removed "particularly where the supervisor feels that this additional transparency will lead to the market functioning more effectively."</p>	<p>Noted.</p> <p>Agreed – this is why the ICP requires, and the guidance encourages, disclosure of material about the supervisory framework. This is also addressed in ICP 2.</p>
Global Federation of Insurance Associations	Global	No	GFIA believes the guidance should recognise that it is equally crucial for the operation of an efficient and competitive insurance market for a clear supervisory framework to be in place, thus providing certainty for firms about the regulatory environment in which they operate. Such a framework should allow for transparency and accountability of supervisory actions. In this context, the penultimate sentence needs to be strengthened in order to state that "other parts of the regulatory framework on preventive measures, corrective measures and sanctions should also be released publicly." The last clause of that sentence, "particularly where the supervisor feels that this additional transparency will lead to the market functioning more effectively," should be deleted.	See Insurance Europe comment above.
General Insurance Association of Japan	Japan	No	<p>On the premise that documentation of a supervisor's framework ensures foreseeability for insurers regarding preventive measures, corrective measures, and sanctions, we understand the importance of leaving room for the exercise of supervisory judgement and discretion.</p> <p>However, attention should be paid to prevent a situation where these measures are taken with excessive supervisory discretion and cause confusion to consumers. Therefore, we</p>	<p>Noted.</p> <p>The framework should require accountability and allow flexibility. One should not be conditional on the other. Flexibility is not a reward for the supervisor behaving well; it is</p>

			suggest revising the third sentence as follows: "...so, provided the supervisor sufficiently fulfills its accountability, flexibility should be allowed...".	an essential component of a supervisory framework.
Swiss Re	Switzerland	No	ICP10.0.3 seems ideal to introduce the concept of recovery and recovery planning and clarify how it relates to preventive and corrective measures, enforcement and sanctions. See response to Q133.	See our comment below regarding the text on recovery plans under 10.3.
Zurich Insurance Company Ltd.	Switzerland	No	ICP10.0.3 seems ideal to introduce the concept of recovery and recovery planning and clarify how it relates to preventive and corrective measures, enforcement and sanctions. See response to Q133.	See Swiss Re comment.
National Association of Mutual Insurance Companies	United States	No	Q135 Comment on Introductory Guidance ICP 10.0.3 We appreciate the flexibility allowing jurisdictions to determine their own enforcement framework. A flexible approach to the ICPs and the ComFrame provisions makes sense for many issues included in this consultation which we will note throughout.	Noted.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	This standard states that it is crucial that the supervisory framework leaves room for the exercise of supervisory judgement and discretion so flexibility should be allowed in the use of preventive measures, corrective measures and sanctions. The guidance should recognise that it is equally crucial for the operation of an efficient and competitive insurance market that a clear supervisory framework is in place which provides certainty for firms regarding the regulatory environment in which they operate. Such a framework should allow for transparency and accountability of supervisory actions. In this context the second last sentence of 10.0.3 needs to be strengthened to state that "other parts of the regulatory framework on preventive measures, corrective measures and sanctions should also be released publicly."	Noted. See Insurance Europe comment.
<b>136 - Q136 Comment on Introductory Guidance ICP 10.0.4</b>				
<b>137 - Q137 Comment on Introductory Guidance ICP 10.0.5</b>				
<b>138 - Q138 Comment on Introductory Guidance ICP 10.0.6</b>				
Institute of International Finance and the Geneva Association	United States/Switzerland	No	The use of non-insurance entities and non-regulated entities throughout the ICPs and ComFrame should be assessed for consistency. Additionally, the IAIS must include rationales for the means by which a supervisory authority could apply measures or sanctions to a non-insurance entity within the insurance group, especially if the entity is not regulated.	We will check for consistency of use.  It is not clear whether the respondent wants an explanation of the means by which such measures could be applied, or a rationale for the existence of such measures.

				The answer to the first is “usually indirectly” (as other stakeholder comments have noted). The answer to the second is “to address risks the non-insurance/non-regulated entity poses to the insurer or to the insurance group”.
<b>139 - Q139 Comment on Introductory Guidance ICP 10.0.7</b>				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	Reference to "other involved supervisors" could be changed to "other relevant supervisors." This is a horizontal amendment across the text and package of ICPs.	“Other involved supervisors” is the agreed terminology used in the ICPs.
Insurance Europe	Europe	No	Insurance Europe agrees with these provisions, when material sanctions are taken by a supervisor, Insurance Europe believes the supervisors should consult each other in the supervisory college. And if no consultation is possible, in cases of urgency or where such consultation may jeopardise the effectiveness of the decision then the supervisor shall inform the other supervisors concerned.	Noted. The ICPs encourage pre-consultation whenever possible.
Global Federation of Insurance Associations	Global	No	References to "other involved supervisors" could be changed to "other relevant supervisors." This is a horizontal amendment across the text and package of ICPs.	See ABIR comment.
Insurance Ireland	Ireland	No	Reference to "other involved supervisors" could be changed to "other relevant supervisors." This is a horizontal amendment across the text and package of ICPs.	See ABIR comment.
Association of British Insurers	United Kingdom	No	If the sanction imposed or supervisory action taken is material, or relevant to other supervisors, the supervisor imposing the sanction or taking the action should not just inform but should consult with the other involved supervisors.	See Insurance Europe comment.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	Reference to "other involved supervisors" could be changed to "other relevant supervisors." This is a horizontal amendment across the text and package of ICPs.	See ABIR comment.
<b>161 - Q161 Comment on Standard ICP 10.1</b>				

162 - Q162 Comment on Guidance ICP 10.1.1				
Global Federation of Insurance Associations	Global	No	There may be liability concerns if insurers are conscripted to notify the supervisor of suspicious activity regarding unlicensed insurance activity--there is a need to protect whistleblowers.	Noted.
163 - Q163 Comment on Guidance ICP 10.1.2				
164 - Q164 Comment on Standard ICP 10.2				
Insurance Europe	Europe	No	<p>General Comment on Preventive Measures</p> <p>Insurance Europe believes the definition of preventive measures should be clear, in particular the distinction between preventive and corrective measures and the link with early intervention should be clear.</p> <p>Insurance Europe highlights that the PCR is not the minimum requirement. The actual minimum requirement is the MCR. Therefore it is not appropriate for the supervisor to exercise preventive/early intervention powers where the insurer has not breached the PCR. Otherwise the point at which the supervisor exercises those powers becomes a regulatory intervention level, thereby representing an actual increase in capital requirements. In particular for regulatory frameworks which already provide for different levels of required capital in order to facilitate an adequate ladder of supervisory intervention, preventive measures of the nature described in Guidance ICP 10.2.5 should not be taken while the firm is still in compliance with all requirements.</p> <p>Throughout ICP 10 different statements are made regarding preventive measures, Insurance Europe believes it is of utmost importance that it is made very clear that these measures can only be triggered once the company has breached the PCR, and should be used in a proportionate manner, taking into account any recovery measures that the company will carry out. The wording in Standard ICP 10.2 - "seems likely to operate in a manner that is inconsistent with regulatory requirements"- does not provide a sufficient basis for the supervisor to take the intrusive actions anticipated in Guidance ICP 10.2.5.</p>	<p>See response to Insurance Europe's first comment on ICP 10.</p> <p>10.2.5 is not intended to be a complete list of all preventive measures or of all corrective measures, and nowhere does it claim to be such a list. There is no suggestion that the only measures that can be used are on that list.</p> <p>See response to Insurance Europe's first comment on ICP 10.</p>
Global Federation of Insurance Associations	Global	No	<p>General Comments About Preventive Measures --</p> <p>GFIA believes the definition of preventive measures should be clear, and in particular, the</p>	Noted. Please see Insurance Europe comment above.

			<p>distinction between preventive and corrective measures; the link with early intervention should be clear.</p> <p>As contemplated by ComFrame, the PCR is not the minimum requirement; the actual minimum requirement is the MCR. Therefore, it is inappropriate for the supervisor to exercise preventive/early intervention powers where the insurer has not breached the PCR. Otherwise, the point at which the supervisor exercises those powers becomes a regulatory intervention level, thereby effectively increasing capital requirements. For regulatory frameworks that already provide for different levels of required capital in order to facilitate an adequate ladder of supervisory intervention, preventive measures of the nature described in Guidance ICP 10.2.5 should not be taken while the firm is still in compliance with requirements of the regulatory framework.</p> <p>Throughout ICP 10, different statements are made regarding preventive measures. GFIA believes it is of utmost importance that IAIS clarify that these measures can only be triggered once the company has breached the PCR, and should be used in a proportionate manner, taking into account any recovery measures that the company will carry out.</p> <p>This Standard appears to give the supervisor very wide-ranging powers, including stopping new business (in Guidance ICP 10.2.5), even if the company has not breached any minimum regulatory requirement. GFIA considers that the wording in Standard ICP 10.2 - "seems likely to operate in a manner that is inconsistent with regulatory requirements"- does not provide a sufficient basis for the supervisor to take the intrusive actions anticipated in Guidance ICP 10.2.5.</p>	
Swiss Re	Switzerland	No	<p>By specifying that supervisors may require preventive measures if the insurer "seems likely" to operate in a manner inconsistent with regulatory requirements, this standard provides the supervisor with excessive discretionary authority. While we fully support the objective of protecting policyholder interests, interventions by the supervisor should be substantiated and based on an analysis and not an "impression". The chosen formulation could be reworded to be more appropriate for a formal standard; for instance, ICP10.2.2 reads better.</p> <p>Proposed language: "[...] if the insurer IS SUBSTANTIVELY DETERMINED to operate in a manner [...]."</p>	<p>Noted.</p> <p>Agreed, the concerns need to be well founded. The text does not suggest otherwise.</p>
Zurich Insurance Company Ltd.	Switzerland	No	<p>By specifying that supervisors may require preventive measures if the insurer "seems likely" to operate in a manner inconsistent with regulatory requirements, this standard provides the supervisor with excessive discretionary authority. While we fully support the</p>	<p>See Swiss Re comment above.</p>



			<p>objective of protecting policyholder interests, interventions by the supervisor should be substantiated and based on an analysis and not an "impression". The chosen formulation could be reworded to be more appropriate for a formal standard; for instance, ICP10.2.2 reads better.</p> <p>Proposed language: "[...] if the insurer IS SUBSTANTIVELY DETERMINED to operate in a manner [...]."</p>	
Association of British Insurers	United Kingdom	No	This Standard appears to give the supervisor very wide-ranging powers, including stopping new business (in Guidance ICP 10.2.5), even where minimum regulatory requirements have not been breached. The ABI considers that the wording in Standard ICP 10.2 - "seems likely to operate in a manner that is inconsistent with regulatory requirements" - does not provide a sufficient basis for the supervisor to take the intrusive actions anticipated in Guidance ICP 10.2.5.	Noted. See Insurance Europe comment.
ACLI	US	No	The terminology used in this Standard is overly imprecise. Terms such as "seems likely" and "inconsistent" should either be defined or replaced with clearer descriptions. As elsewhere in ICP 10 and accompanying CF Elements, the term "may" should be liberally used to reflect the permissive, not mandatory, nature of these materials	Noted. We don't believe that defining the terms in question would help supervisors do their job.
CNA	USA	No	CNA believes it is very concerning that a supervisor can impose preventive measures based on a guess or impression that an insurer is not operating within the regulatory requirements. The supervisor should only impose measures or sanctions when there is clear evidence of an insurer not operating within regulatory requirements. Therefore, we would recommend that "seems likely to (operate)" be removed from the proposed guidance and replaced with operates.	We can't find the place where we say that the supervisor's actions should be based on "a guess or impression". See Swiss Re comment.
<b>165 - Q165 Comment on Guidance ICP 10.2.1</b>				
Swiss Re	Switzerland	No	We fully support the objective of protecting policyholder interests. While financial stability is a concern too, we clearly see it as second to policyholder protection in the ICP and ComFrame context.	Noted.
Zurich Insurance Company Ltd.	Switzerland	No	We fully support the objective of protecting policyholder interests. While financial stability is a concern too, we clearly see it as second to policyholder protection in the ICP and ComFrame context.	See Swiss Re comment.
National Association of	United States	No	Q165 Comment on Guidance ICP 10.2.1 The pre-emptive language in this section including, "Where the supervisor assesses that an	It does not require the supervisor to make a guess or a projection, but says that they

Mutual Insurance Companies			insurer SEEMS LIKELY TO FAIL TO MEET REGULATORY REQUIREMENTS the supervisor should intervene," provides flexibility, but it also requires the supervisor to make guesses or projections and apply regulatory requirements in advance of actual failure. We understand the need to keep the language flexible, but suggest more examples would be useful to indicate how the IAIS anticipates this will work, and there should be no standard based entirely on conjecture.	should carry out an assessment.
<b>165 - Q165 Comment on Guidance ICP 10.2.1</b>				
<b>166 - Q166 Comment on Guidance ICP 10.2.2</b>				
<b>167 - Q167 Comment on Guidance ICP 10.2.3</b>				
<b>168 - Q168 Comment on Guidance ICP 10.2.4</b>				
Insurance Europe	Europe	No	Please refer to the general comments in the response to Q164	Noted.
<b>169 - Q169 Comment on Guidance ICP 10.2.5</b>				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUD A	No	Greater clarity around the last bullet - "barring individuals acting in key roles from such roles in future" - that provides that a regulator can bar an individual in a key role from acting in that capacity in the future. Would need to be limited to extreme scenarios.	Noted. This is simply a list of measures that supervisors should have available, to be used in appropriate circumstances. We would agree that banning individuals is likely to happen only rarely.
Insurance Europe	Europe	No	Insurance Europe highlights that it would be expected from the company's board that when the PCR is breached, the company has a credible recovery plan in place and to discuss/communicate this with the supervisor. The supervisory powers detailed in this Guidance would only be needed if the recovery plan was not considered suitable or working as intended.  Greater clarity is needed in relation to the last bullet point that provides that a regulator can bar an individual in a key role from acting in that capacity in the future. Such a bar, if applied across the whole insurance industry, appears extreme, and should be limited to extreme scenarios.  Please also refer to the response to Q164.	If the insurer had initiated recovery actions, then it is likely that the supervisor would only need to take additional measures if, as stated, the plan actions were not suitable or working as intended.  See ABIR comment above.

Global Federation of Insurance Associations	Global	No	GFIA highlights that it would be expected from the company's board that when the relevant capital measure is breached, the company has a credible recovery plan in place and will discuss/communicate this plan with the supervisor. The supervisory powers detailed in this guidance would only be needed if the recovery plan was not considered suitable or working as intended.	See Insurance Europe comment above.
Insurance Ireland	Ireland	No	Greater clarity around the last bullet- 'barring individuals acting in key roles from such roles in future' - that provides that a regulator can bar an individual in a key role from acting in that capacity in the future. Would need to be limited to the extreme scenarios.	See ABIR comment above.
Swiss Re	Switzerland	No	The proposed measures, though not an exhaustive list, are a plausible set of options to be acted upon by the insurer in the event of an impending breach of regulation. However, these measures should not be enforced by the supervisor as long as the insurer is not in breach of regulation. In particular, actions such as suspending the license of an insurer are inappropriate in the case that an insurer complies with regulation. Proportionality ought to apply more clearly.	Noted.  Proportionality already applies to all of ICP 10. Much of the material is about options that supervisors should have available to them, but it is clear that the actions a supervisor requires of an insurer must be justified and based on sound assessment of the situation.
Zurich Insurance Company Ltd.	Switzerland	No	The proposed measures, though not an exhaustive list, are a plausible set of options to be acted upon by the insurer in the event of an impending breach of regulation. However, these measures should not be enforced by the supervisor as long as the insurer is not in breach of regulation. In particular, actions such as suspending the license of an insurer are inappropriate in the case that an insurer complies with regulation. Proportionality ought to apply more clearly.	See Swiss Re.
Association of British Insurers	United Kingdom	No	See our response to Q164.  In particular, greater clarity is needed in relation to the last bullet point that provides that a regulator can bar an individual in a key role from acting in that capacity in the future. Such a bar, if applied across the whole insurance industry, appears extreme, and should be limited to extreme scenarios.	See ABIR comment above.
American Insurance Association	USA	No	Greater clarity is needed around the last bullet that provides that a regulator can bar an individual in a key role from acting in that capacity in the future: (1) if this bar applies across the whole industry, it appears extreme and raises issues about a person's right to make a livelihood, unless the individual is convicted of a crime, etc.; and (2) such a bar by the supervisor also raises due process issues.	See ABIR comment above.

170 - Q170 Comment on Guidance ICP 10.2.6				
Dai-ichi Life Holdings, Inc.	Japan	No	<p>·On the second sentence, the scope of "role of key actors in the governance processes" is unclear. Considering strong measures, such as replacement or restriction of a power and role of the given person, targets of the measure should be limited to those who have significant influence on the company's management, such as "Board of Directors" etc..</p> <p>·Additionally, on the first sentence, a certain measure leads to excessive personnel intervention for insurance companies, distorting management judgment which should be originally based on the principle of self-responsibility, so that corporate value and growth may be hindered.</p> <p>Therefore, "Senior Management" "Key persons in Control Function" "Any other person who plays a significant role within the insurer" should be deleted from the ICP10.2.6.</p>	<p>We have amended 10.2.6 to make it clearer that we are talking about the same people throughout.</p> <p>The guidance does not encourage 'excessive personnel intervention'. Rather, it suggests that supervisors should take measures to deal with material corporate governance issues.</p> <p>Given the difference in corporate governance arrangements and structures across insurers, it is important to include "any other person who plays a significant role within the insurer".</p>
The Life Insurance Association of Japan	Japan	No	<p>This Guidance states the supervisor should require the insurer to replace or restrict the power and role of Senior Management, Key Persons in Control Functions and any other person who plays a significant role within the insurer.</p> <p>We are concerned with this approach to allow the supervisor to require the insurer to replace those persons. This could invite excessive supervisory intervention into HR management, bias the insurer's autonomous business judgement, and inhibit enhanced corporate value and market development.</p> <p>Those key players in governance whom the supervisors are able to request replacement should be limited to those who are expected to have the most outstanding management capacity. Thus this guidance should exclude "Senior Management, Key Persons in Control Functions and any other person who plays a significant role within the insurer."</p>	See Dai-ichi Life comment above.
171 - Q171 Comment on Guidance ICP 10.2.7				
172 - Q172 Comment on Guidance ICP 10.2.8				
Global Federation of Insurance Associations	Global	No	The notion that the supervisor should be overseeing the external auditor would interfere with the professional body governing accountants. It is one thing to require a supplemental audit or even to require a company to change auditors, but to allow a supervisor to sanction	Noted. The supervisor is overseeing (i) the quality of audit of insurers, which is a legitimate concern for a supervisor, and (ii)

			the auditor goes too far.	whether the auditor has breached any regulatory requirements that it faces.  If the auditor breaches regulatory requirements why should it not be sanctioned?
National Association of Mutual Insurance Companies	United States	No	Q172 Comment on Guidance ICP 10.2.8  The idea that the supervisor should oversee external auditors would conflict with the professional standards governing accountants. It is one thing to require a supplemental audit or even to require a company to change auditors, but to allow a supervisor to sanction the auditor goes too far.	See GFIA comment above.
<b>182 - Q182 Comment on Standard ICP 10.3</b>  <i>The March 2017 consultation version of ICP 10 included three paragraphs of guidance on recovery plans (10. 3.3 to 10.3.5) which are closely tied and provide a link to the ComFrame material on recovery plans, which is still under revision. To ensure this material is aligned, these paragraphs have been removed in order to be revised as part of this process. The consultation comments received on this material are being taken into account as part of this process but given this ongoing work, resolutions to these comments will also be provided later.</i>				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUD A	No	-	
Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries)	Germany	No	The structure of the section on recovery plans could be improved by addressing the following topics in subsections:  - roles and responsibilities of supervisor and insurer - recovery process - recovery plan requirements	
Global Federation of Insurance Associations	Global	No	Recovery Plans - Where the recovery plan is a corrective measure, there should be a clear, identifiable condition for the development of a recovery plan, such as when the insurer's solvency has weakened or if the insurer poses a material risk to the public.  When drafting principles for the development of recovery plans as a corrective measure,	

			<p>supervisors should keep in mind that:</p> <ul style="list-style-type: none"> <li>- A recovery plan's purpose is to present ways to restore a troubled insurer to operational health. Therefore, the provisions of a recovery plan should be different from those in resolution plans which are applied to insurers that have passed the point of non-viability.</li> <li>- Recovery plans are supposed to work under assumptions of future financial circumstances but, given that neither the insurer nor the supervisor can fully anticipate these, recovery plans should remain flexible and not seek to be overly prescriptive or detailed. The supervisor's role should be to understand how an insurer will be responding, not to determine the actions it should take.</li> <li>- Ideally, a recovery plan requirement should be linked to a breach of regulatory capital and there should be a time period that the insurer has to prepare the recovery plan. But in any case, the triggering event should not be pre-defined, but should rather be based on dialogue with the supervisor and on a case-by-case basis.</li> </ul> <p>As proposed, recovery plans would be required without a triggering event.</p> <p>Finally, it is important for the supervisor to understand that the development of recovery plans has inherent risk because the plan is speculative. Thus, it is unwise to require insurers to commit considerable resource to creating detailed recovery plans for unknowable future what-if scenarios. Instead, the preferred approach is to maintain flexibility in order to understand options and alternatives.</p>	
International Actuarial Association	International	No	<p>The structure of the section on recovery plans could be improved by addressing the following topics in subsections:</p> <ul style="list-style-type: none"> <li>- roles and responsibilities of supervisor and insurer</li> <li>- recovery process</li> <li>- recovery plan requirements</li> </ul>	
Insurance Ireland	Ireland	No	<ul style="list-style-type: none"> <li>- This should not be imposed on all IAIGs and the entities within the IAIGs. Requirement for IAIG to develop. Recovery plan is new and we would not support it. Should only be foreseen in case of trigger event.</li> </ul>	

			<ul style="list-style-type: none"> <li>- Extremely onerous and may miss the point when needed, most important that supervisors are working together if capital is to be re-distributed.</li> <li>- There still seems to be a lot of confusion around recovery and resolution. Whole point is that resolution is when company goes into run off and wind down. You cannot recover from it. The recovery plan is when you can recover. There needs to be different points at which these come in. For S2 it is breach of SCR (recovery) and breach of MCR (resolution) although clearly there might be other circumstances when resolution is planned (e.g. when the recovery actions cannot be undertaken).</li> <li>- We cannot see the point around the fact that typically a recovery plan is required when a pre-determined breach takes place (e.g. of SCR) and firm has to demonstrate to regulators how it is going to recover. If there is to be a requirement for a recovery plan before the breach then clearly it can only be much higher level since it is a plan that will anticipate a theoretical range of breach causes and theoretical market responses (for example around the availability of reinsurance). It might be that a distinction should be made.</li> <li>- Ideally recovery plan should be linked to a breach of regulatory capital requirement only and there should be a time period within which the insurer has to prepare the recovery plan. At the moment it is a requirement to prepare one when we do not know what the event could be.</li> </ul>	
American Insurance Association	USA	No	<p>Recovery Plans - IAIS has not discussed differences between recovery plans and resolutions, and thus may cause confusion of terms. There should be a pre-defined trigger as a prerequisite for developing a recovery plan. The triggering event could be based on dialogue /agreement, on a case by case/individual basis, with the supervisor, i.e., when the insurer's solvency has weakened or if the insurer poses a material risk to the public. Development of recovery plans has inherent risk: it is anticipating future situations, about the insurer and supervisor will know nothing. Thus, it is unwise to require detailed recovery plans for future what-ifs scenarios. Instead, the preferred approach is to maintain flexibility in order to understand options and alternatives.</p> <ul style="list-style-type: none"> <li>o This requirement should not be imposed on all IAIGs and the entities within the IAIGs. Extremely onerous to impose on all IAIGs and may miss the point when needed. It is more important that supervisors are working together if capital is to be re-distributed.</li> <li>o There still seems to be a lot of confusion around recovery and resolution. Resolution is the process for winding up the affairs of a company when goes it goes into run. A recovery plan, however, is intended to restore the company to operational health. The guidance</li> </ul>	

			<p>needs to make that distinction. The guidance also needs to distinguish between recovery plans that are initiated as a supervisory corrective action, versus a recovery plan that is developed by an insurer as a risk management tool. In the latter case, the supervisory should have no role in what is essentially an internal management process.</p> <p>o As a corrective measure, a recovery plan should be linked to a breach of regulatory capital requirement only and there should be a time period within which the insurer has to prepare the recovery plan. We disagree with the proposed language that creates a requirement to prepare one when the triggering event is unknown.</p>	
North American CRO Council	USA/Canada/Bermuda	No	<p>The North American CRO Council ("CRO Council" or "Council") is a professional association of Chief Risk Officers ("CROs") from leading insurers based in the United States, Canada, and Bermuda. Member CROs currently represent 31 of the largest Life, and Property and Casualty insurers in North America. As a body established to promote and develop sound practices in risk management throughout the insurance industry, the Council appreciates the opportunity to comment on the International Association of Insurance Supervisors ("IAIS") revised Insurance Core Principals ("ICPs") and ComFrame material integrated with ICPs.</p> <p>The CRO Council is focusing its comments on ComFrame 10.3 (CF 10.3) which appears to require all IAIGs to develop detailed recovery plans. While the exact purpose and scope of these plans are unclear, we firmly believe that such plans would serve little practical use and role in a company's risk management procedures and would be largely duplicative of current stress testing practices and Own Risk and Solvency (ORSA) submissions. The insurance industry's practices to stress testing are drawn from empirical data and experience, overlaid with judgment and a range of tools, to determine the resilience of the enterprise at times of stress. The requirement to capture and document a variety of specific actions to be taken in response to a litany of stresses is a futile and costly exercise that will never capture the true circumstances as they transpire and most importantly, yield little actionable insight.</p> <p>Our companies, policyholders, and other constituents are better served by Chief Risk Officers (CROs) focusing their professional resources on identifying, assessing, and managing risk, particularly under stress and scenario conditions. Such risk management activities are very well addressed in the ORSA requirements which demonstrate an insurer's competency to manage its risk and capital at times of adversity. In our view, CF 10.3 contains many elements that are already addressed in the ORSA, and better served</p>	



		<p>through this regulatory tool. The supervisory college further provides a vehicle for the group supervisor, and involved supervisors, to assess the financial condition of the insurance group and its ability to manage risk over the long term. Given these existing tools, and the ComFrame commitment to proportionality, we do not support the requirement of a new, costly recovery plan. In short, the CF 10.3 adds nothing to the genuine substance as already set out in local and group ORSA materials with regards to risk management.</p> <p>CF 10.3a lays out a detailed approach that the group supervisor must require the IAIG to develop on behalf of all material entities within the group, including holding companies and non-regulated entities. This is a significant exercise. More importantly, the plan must identify in advance options to restore financial strength and viability, and include options to respond to a range of stress scenarios including the management actions the IAIG would take to manage the potential cash flow implications of the stress scenario. From a risk management perspective, this is simply unworkable given the number potential outcomes and the impossibility of predicting and documenting future, contingent management actions. Spending time and resources to document events that are both uncertain and fact specific may provide supervisors with a sense of security but with an outcome unlikely to be useful in reality.</p> <p>While we do not support a prescriptive recovery plan requirement for IAIGs, we do agree that all insurers should be able to demonstrate thoughtful, robust business continuity planning which includes processes the insurer would undertake in order to promptly and competently respond to stress. To this point, we agree with the bullet point in CF10.3a.8 that provides that the IAIG should identify the functions or services that are critical to the group and the generic processes in place to ensure a timely response to stress events, including maintenance of management information systems. However, this is an area that can be addressed through the ORSA and without new regulation such as CF 10.3. As such, we encourage the recovery plan concept to be limited to circumstances where the insurer has triggered an actual regulatory threshold and be focused on the associated circumstances. By limiting the recovery plan to these specific instances, versus being applied more broadly, risk management resources can remain focused on value-add risk management activities and the ORSA process.</p> <p>In conclusion, we maintain that there exists no value in requiring IAIGs, who by definition are not systemic, to develop detailed recovery plans that provide little benefit to justify the costs. Rather, we strongly urge that company, industry, and regulatory risk management efforts should be focused on the ORSA and supervisory college.</p>	
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183 - Q183 Comment on Guidance ICP 10.3.1			
183 - Q183 Comment on Guidance ICP 10.3.1			
184 - Q184 Comment on Guidance ICP 10.3.2			
185 - Q185 Comment on Guidance ICP 10.3.3			
Insurance Europe	Europe	No	<p>In general, Insurance Europe believes that no use should be made of early intervention powers before there has been a breach of the standard/prescribed capital requirement.</p> <p>In addition it should be noted that the Recovery Plan is a management tool to prompt consideration of the actions that may be taken, but actual actions will depend on the specifics of the circumstances and will be for an insurer's management to decide. Therefore, the supervisor's role should be understand how an insurer is responding, not to determine the actions it should take.</p> <p>Insurance Europe suggests that that the IAIS reconsiders the positioning of forward-looking recovery planning, a management tool used by management to consider options available in stressed conditions, in this section about corrective measures. This section on corrective measures should focus instead on recovery planning as a supervisory tool, required by the supervisor to address a particular stress event that has occurred, for example breach of a capital requirement, leaving forward looking recovery planning to be addressed elsewhere in the ICPs.</p>
GDV - German Insurance Association	Germany	No	<p>Recovery planning requires considerable resources and constitutes a massive burden for insurers. Exercising the proportionality principle with regard to the individual hazard of the company or group is therefore essential. The ICP should reflect that supervisors may only require a recovery plan if special circumstances like significant threat to the policyholders' interests or to financial stability arise. In general, if the probability of a company to enter in regulatory recovery is low, a recovery plan is less or not necessary.</p>
Global Federation of Insurance Associations	Global	No	<p>The guidance is appropriate when the recovery plan is being developed as a corrective measure. However, when the recovery plan is an internal risk management tool, the actual actions to be taken will depend upon the specific circumstances and the discretion of the insurer's management. Consequently, the supervisor's role should be to understand how an insurer is responding, not to determine the actions it should take.</p>
General	Japan	No	<p>It should be further clarified that not all insurers or groups are required to produce a</p>

Insurance Association of Japan			recovery plan. This guidance gives an example of an insurer that is "complex, systemically important and/or has a different risk profile or business model compared to other insurers". The guidance should be revised to clarify that the scope is limited to such companies as exemplified.	
Swiss Re	Switzerland	No	<p>The localized introduction of recovery plans in ICP10.3 reduces recovery to a recovery planning exercise and understates the complexity of the overall effort.</p> <p>In our opinion: The recovery analysis leads to a recovery plan. The recovery plan outlines plausible recovery options which are a subset of the all possible recovery situations an insurer may face. In times of crisis, or in the mounting phase thereof, the group supervisor will analyze the situation and if the insurer has a recovery plan, will review the recovery measures pursued by the insurer. In addition, the supervisor may order preventive or corrective measures (those are clearly in the scope of ICP10), potentially, but not necessarily drawing upon the options laid out in the recovery plan. Accordingly, ICP10.2 and 10.3 need to make reference to the options laid out in the recovery plan. Consequently recovery planning needs to be addressed separately, and probably ahead of ICP10.2 and 10.3, or for instance altogether in ICP16 on Enterprise Risk Management.</p> <p>We don't understand the reference to "different risk profile"; this would in effect create an incentive for the industry to all adhere to the same risk profiles and business models. Maybe one or two examples by the IAIS would help clarify what is meant. We believe that recovery plans should be required and subsequently reviewed on a level of scrutiny which is proportional to the supervisor's assessment of the level of risk an insurer poses to policyholders.</p> <p>We are not certain the reference to systemic importance is necessary, as systemic importance is addressed in the specific G-SII framework.</p>	
Zurich Insurance Company Ltd.	Switzerland	No	<p>The localized introduction of recovery plans in ICP10.3 reduces recovery to a recovery planning exercise and understates the complexity of the overall effort.</p> <p>In our opinion: The recovery analysis leads to a recovery plan. The recovery plan outlines plausible recovery options which are a subset of the all possible recovery situations an insurer may face. In times of crisis, or in the mounting phase thereof, the group supervisor will analyze the situation and if the insurer has a recovery plan, will review the recovery measures pursued by the insurer. In addition, the supervisor may order preventive or corrective measures (those are clearly in the scope of ICP10), potentially, but not necessarily drawing upon the options laid out in the recovery plan. Accordingly, ICP10.2 and 10.3 need to make reference to the options laid out in the recovery plan. Consequently recovery planning needs to be addressed separately, and probably ahead of ICP10.2 and 10.3, or for instance altogether in ICP16 on Enterprise Risk Management.</p> <p>We don't understand the reference to "different risk profile"; this would in effect create an</p>	

			<p>incentive for the industry to all adhere to the same risk profiles and business models. Maybe one or two examples by the IAIS would help clarify what is meant. We believe that recovery plans should be required and subsequently reviewed on a level of scrutiny which is proportional to the supervisor's assessment of the level of risk an insurer poses to policyholders.</p> <p>We are not certain the reference to systemic importance is necessary, as systemic importance is addressed in the specific G-SII framework.</p>	
Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the opportunity for supervisors to take a proportionate approach to recovery planning, as indicated by the wording "the supervisor may require". However, we suggest that there is a more explicit application of proportionality, with the Guidance encouraging a proportionate approach with respect to what is included in the plan as well.</p> <p>In addition, the ABI suggests this Guidance should note that the recovery plan is a management tool, used by the insurer to prompt consideration of the actions that may be taken, but that actual actions will depend on the specifics of the circumstances and will be for an insurer's management to decide. The supervisor's role should be to understand how an insurer is responding, rather than determining the actions the insurer should take. This would align with the statement in CF10.3a.2 that "Recovery is the responsibility of the IAIG".</p> <p>We further suggest that the IAIS reconsiders the positioning of forward-looking recovery planning, a management tool used by management to consider options available in stressed conditions, in this section about corrective measures. This section on corrective measures should focus instead on recovery planning as a supervisory tool, required by the supervisor to address a particular stress event that has occurred, for example breach of a capital requirement, leaving forward looking recovery planning to be addressed elsewhere in the ICPs.</p>	e.
MetLife, Inc	United States	No	<p>ICP 10.3.3 should be revised to clarify the limits on the supervisor's authority to require an insurer to "apply the recovery plan as a corrective measure". As noted throughout ICP 10, the recovery plan identifies in advance the range of options available to an insurer to restore financial strength and viability. As such, and consistent with CF 10.3a.5, a recovery plan should serve as a guide for the insurer and the supervisors for crisis preparedness and crisis management, rather than a directive to take specific recovery actions upon the occurrence of specific triggers. Since actual stress events are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools. Please also see our response to Q.188.</p>	

National Association of Mutual Insurance Companies	United States	No	<p>Q185 Comment on Guidance ICP 10.3.3</p> <p>To clarify the meaning of 10.3.3 and 10.3a both sections should include the language indicating when such measures should be triggered. The intention is not clear without such language. We suggest:</p> <p>a. 10.3.3 "IF THE INSURER FAILS TO OPERATE IN A MANNER CONSISTENT WITH REGULATORY REQUIREMENTS, the supervisor may require . . ."</p> <p>b. 10.3a "IF THE IAIG FAILS TO OPERATE IN A MANNER CONSISTENT WITH REGULATORY REQUIREMENTS, the group-wide supervisor requires. . ."</p> <p>Also in 10.3.3 the description of circumstances when it may be appropriate for the supervisor to require a recovery implies application only to a specific type of company and not just generally applicable to the industry. It seems that last sentence of the section should be moved into 10.3a.</p>	
Institute of International Finance and the Geneva Association	United States/Switzerland	No	<p>Inclusion of recovery planning in ICP/ComFrame 10 creates confusion. Specifically, CF 10.3 mixes up two concepts:</p> <ul style="list-style-type: none"> <li>- specific action plans that may be required by supervisors in the event, for example, of a breach of an intervention ladder or other regulatory requirement, e.g. solvency requirement; and,</li> <li>- the FSB concept of a forward-looking and high-level contingency plan that serves to ensure that the appropriate tools and structures are in place to help manage a potential future crisis.</li> </ul> <p>The former specific action plan is a tool readily available to most (if not all) supervisors and is adequately covered in ICP 10.2 and CF 10.2a.</p> <p>The latter, forward-looking, contingency plan, is correctly recognized within ICP 10 as "a part of the risk management process" (CF10.3a.7) and should in all cases be discretionary, subject to the principle of proportionality and the product of active discussion among the insurers' management and the group-wide supervisor.</p> <p>It should be clear that supervisory discretion includes the option not to require a separate recovery plan, and to accept alternative submissions in lieu of a separate, formal recovery plan to the extent such submissions collectively satisfy the standard.</p> <p>Thereafter our focus is the forward-looking, contingency planning, which we refer to as "recovery plan/recovery planning." We propose it is better housed in ICP/ComFrame sections providing guidance on enterprise risk management as a part of or complement to</p>	

			other elements and criteria that address risk management, such as current guidance on ORSA (see ICP 16.15.1). Integration of recovery planning elements of CF 10.3 in revisions to ICP 16 and related ComFrame provisions would allow a better alignment of current and proposed new guidance on recovery planning.	
ACLI	US	No	<p>This should be revised to clarify the limits on the supervisor's authority to require an insurer to "apply the recovery plan as a corrective measure". As noted throughout ICP 10, the recovery plan identifies in advance the range of options available to an insurer to restore financial strength and viability. As such, and consistent with CF 10.3a.5, a recovery plan should serve as a guide for the insurer and the supervisors for crisis preparedness and crisis management, rather than a directive to take specific recovery actions upon the occurrence of specific triggers. Since actual stress events are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools.</p> <p>A supervisor can require an insurer to prepare a recovery plan only if the supervisor is able to adequately demonstrate that the insurer is currently experiencing significant or severe financial hardship and/or stress. Only after the supervisor makes such demonstration should an insurer be required to prepare a recovery plan, and then it should be subject to the principle of proportionality (the plan's form, content and detail would depend on the insurer's nature, scale, and complexity). The ORSA process already requires the insurer to describe management actions to address any deficiencies identified in the assessment of the insurer's business plan under normal and stressed conditions. Requiring a "recovery plan" outside the context of an actual distressed condition implies an unhelpful diversion of limited risk management resources to an effort that would be speculative and duplicative of ORSA efforts.</p>	
Northwestern Mutual Life	USA	No	<p>Through the ORSA process the insurer already considers and describes plans to recover from plausible future stress events. If recovery planning is not to duplicate the ORSA, it must be limited to circumstances where an actual stress event requires specific attention. Accordingly, we seek to clarify that a recovery plan may only be required in the event that the insurer has breached a regulatory threshold. This suggestion also reinforces the scope of ICP Standard 10.3, which addresses corrective measures if the insurer fails to operate consistently with regulatory requirements.</p> <p>Our specific edits are to add a short preface to 10.3.3 in the first sentence and the word "such" in the second sentence as follows:</p> <p>10.3.3 If the insurer fails to operate in a manner that is consistent with regulatory requirements, the supervisor may require an insurer to produce a recovery plan that identifies in advance options to restore financial strength and viability, and apply the recovery plan as a corrective measure if the insurer comes under severe stress. It may be</p>	

			<p>appropriate for the supervisor to require a recovery plan of such an insurer that is, for example, complex, systemically important and/or has a different risk profile or business model compared to other insurers.</p> <p>We observe that unless a recovery plan is designed in response to an actual stress event, it is unlikely to provide a supervisory benefit beyond the forward-looking stress testing and scenario analysis already performed by insurers in their ORSAs. ICP Standard 16.15 and the supporting Guidance address ORSA continuity analysis and contingency planning based upon the insurer's assessment of the impact to its capital position of plausible adverse scenarios projected over the insurer's business planning horizon. In the U.S., the NAIC's ORSA guidance manual requires the insurer to perform a prospective solvency assessment that assesses the adequacy of the insurer's capital in normal and stressed environments over the insurer's business planning horizon. Where capital is not adequate, the insurer "should describe the management actions it has taken (or will take) to remedy" the inadequacy, including "any modifications to the business plan or identification of additional capital resources".</p> <p>We likewise suggest that corresponding clarifications should be made to CF Standard 10.3a and the related Guidance. Unless the scope of these provisions is clarified, they will overlap with existing ORSA requirements and are likely to result in confusion and unnecessary work.</p>	
Property Casualty Insurers Association of America (PCI)	USA	No	<p>The reference here to "systemically important" seems inappropriate in an ICP, and should be only applied to G-SIIs as part of the G-SII Policy Measures.</p> <p>ICP 10.3.3 should be revised to clarify the limits on the supervisor's authority to require an insurer to "apply the recovery plan as a corrective measure". As noted throughout ICP 10, the recovery plan identifies in advance the range of options available to an insurer to restore financial strength and viability. As such, and consistent with CF 10.3a5, a recovery plan should serve as a guide for the insurer and the supervisors for crisis preparedness and crisis management, rather than a directive to take specific recovery actions upon the occurrence of specific triggers. Since actual stress events are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools.</p>	
<b>186 - Q186 Comment on Guidance ICP 10.3.4</b>				
Swiss Re	Switzerland	No	<p>What type of "input" does the IAIS consider necessary to assess the robustness and credibility of a recovery plan? That point deserves elaboration.</p>	

Zurich Insurance Company Ltd.	Switzerland	No	What type of "input" does the IAIS consider necessary to assess the robustness and credibility of a recovery plan? That point deserves elaboration.	
MetLife, Inc	United States	No	"Credibility" in this context should be defined.	
Institute of International Finance and the Geneva Association	United States/Switzerland	No	What type of "input" does the IAIS consider necessary to assess the robustness and credibility of a recovery plan? That point deserves elaboration. Credibility in this context should be defined.  The text should be modified to read as follows: "The insurer should provide the supervisor .....". Or alternatively the guidance should specify why it should be provided by Senior Management.	
ACLI	US	No	The term "credibility" in this context should be defined.	
Property Casualty Insurers Association of America (PCI)	USA	No	Credibility in this context should be defined.	
<b>187 - Q187 Comment on Guidance ICP 10.3.5</b>				
Insurance Europe	Europe	No	Insurance Europe believes that recovery plans should only be updated when there are material changes to an insurer's business or structure and, for clarity, this Guidance should note that such reviews will be undertaken by the insurer.	
Global Federation of Insurance Associations	Global	No	GFIA believes that recovery plans should be reviewed and updated when there are material changes to an insurer's business or structure and, for clarity, this guidance should note that such reviews will be undertaken by the insurer.	
Canadian Institute of Actuaries	Ontario	No	As mentioned in connection with CF9.2a (Q38), we believe the suggestion that recovery plans be reviewed "at least annually" could be clarified to suggest that the review could focus on changes made to the recovery plan and that reliance can be placed on prior reviews.	
Association of British Insurers	United Kingdom	No	Recovery plans should only be updated when there are material changes to the insurer's business and structure.	



			For clarity, this Guidance should note that the anticipated reviews are undertaken by the insurer (and not by the supervisor).	
MetLife, Inc	United States	No	The supervisor should have flexibility regarding the frequency for updating a recovery plan. Absent a material change to an insurer's business structure, an annual update requirement may prove unnecessary and unduly burdensome.	
National Association of Mutual Insurance Companies	United States	No	Q187 Comment on Guidance ICP 10.3.5 It seems unnecessary and costly for supervisors as well as firms to require the recovery plans to be updated annually. We think this should be a matter of supervisory discretion or changed to "periodically."	
Institute of International Finance and the Geneva Association	United States/Switzerland	No	For clarity 10.3.5 should note that such reviews will be undertaken by the insurer. The supervisor should have flexibility regarding the frequency for updating a recovery plan. Absent a material change to an insurer's business structure, an annual update is unnecessary and would be unduly burdensome.	
ACLI	US	No	The supervisor should have flexibility regarding the frequency for updating a recovery plan. Absent a material change to an insurer's business structure, an annual update requirement may prove unnecessary and unduly burdensome	
CNA	USA	No	In the absence of a triggering event, it is burdensome to request that a insurer, which has capital that is multiples above any regulatory action level, update a recovery plan with any prescriptive frequency. This should be left to the discretion of the group-wide supervisor.	
Property Casualty Insurers Association of America (PCI)	USA	No	The supervisor should have flexibility regarding the frequency for updating a recovery plan. Absent a material change to an insurer's business structure, an annual update requirement may prove unnecessary and unduly burdensome.	
<b>211 - Q211 Comment on Standard ICP 10.4</b>				
<b>212 - Q212 Comment on Guidance ICP 10.4.1</b>				
Institute of International Finance and the Geneva	United States/Switzerland	No	Proportionality should apply when determining if "a plan" is necessary for the resolution of an issue.	Noted; it does.

Association				
ACLI	US	No	We assume that the definition of the term "internationally active insurance group" is not intended to change. We would appreciate IAIS formal comment on this point.	IAIG criteria are not a subject matter covered by this consultation.
<b>213 - Q213 Comment on Guidance ICP 10.4.2</b>				
<b>214 - Q214 Comment on Guidance ICP 10.4.3</b>				
<b>215 - Q215 Comment on Guidance ICP 10.4.4</b>				
<b>216 - Q216 Comment on Guidance ICP 10.4.5</b>				
<b>217 - Q217 Comment on Standard ICP 10.5</b>				
<b>218 - Q218 Comment on Guidance ICP 10.5.1</b>				
<b>219 - Q219 Comment on Guidance ICP 10.5.2</b>				
Association of British Insurers	United Kingdom	No	The ABI welcomes the explicit recognition in this Guidance of the need for proportionality in the use of supervisory measures.	Noted.
<b>220 - Q220 Comment on Guidance ICP 10.5.3</b>				
<b>233 - Q233 Comment on Standard ICP 10.6</b>				
GDV - German Insurance Association	Germany	No	GDV disagrees. Imposing sanction by supervisors should be limited to breach of regulatory requirements and not to "other misconduct".	The direct imposition of sanctions by supervisors will normally be limited to breaches of regulatory requirements. But some other matters will still need supervisory involvement. The Guidance in 10.6.1 makes clear that, for some matters, the appropriate course of action will be for a supervisor to refer a matter to another body, and not to take action themselves.
Global Federation of Insurance Associations	Global	No	o ICP 10.6.2 Sanctions - This provision provides that regulators should be able to impose punitive sanctions. The term "punitive" is vague. Guidance should provide specific conditions as to when "punitive" can be applied. Otherwise, this provision should be removed.	We have amended 10.6.2 in response to consultation comments.  Recovery plans are not relevant here. The

			<p>o 10.6.6–This bullet should be clarified to indicate that the supervisor may not impose sanctions on insurers beyond what is found in a recovery plan. The supervisor cannot exceed its authority and impose sanctions which are not "supervisory" in nature.</p> <p>o ICP 10.6.7 - removal of senior managers, unless the result of law enforcement activity, is not available in all jurisdictions in the world. Thus, we question if this is relevant for worldwide guidance.</p>	<p>range of sanctions that a supervisor can impose will depend on the legislation. It could include, for example, imposing a fine on the insurer.</p> <p>It is relevant. In our view, it is good practice for supervisors to have sanctioning powers in this area (i.e., the removal of senior managers), so providing guidance covering this point is appropriate.</p>
Association of British Insurers	United Kingdom	No	The ABI welcomes the explicit recognition in this Standard of the need for a proportionate approach in the use of sanctions.	Noted.
Chubb	United States	No	See response to Q. 131, we believe sanctions should be addressed in a different ICP.	Noted; we disagree, as noted earlier
American Insurance Association	USA	No	This proposed sanctions provision would allow regulators should be able to impose punitive sanctions. The term "punitive" is vague; therefore, there should be additional guidance that provides specific conditions as to when "punitive" measures can be applied. Otherwise, this provision should be removed.	See GFIA comment above.
<b>234 - Q234 Comment on Guidance ICP 10.6.1</b>				
Insurance Europe	Europe	No	In principle Insurance Europe agrees, it believes supervisors should be able to impose a range of sanctions, including those of an administrative or financial nature. However, Insurance Europe believes there is no further need to specify the other measures, such as the ability to bar individuals acting in key roles from holding similar roles in the future.	The ability to take action against individuals, as well as against the insurer, can be a key option for supervisors. It would be odd not to discuss it in this ICP.
Association of British Insurers	United Kingdom	No	The ABI agrees that the supervisor should be able to impose a range of sanctions, so that the supervisor is able to take action in proportion to the non-compliance.	Noted.
<b>235 - Q235 Comment on Guidance ICP 10.6.2</b>				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	This provision provides that regulators should be able to impose punitive sanctions. The term "punitive" is vague.	We have amended 10.6.2 in response to consultation comments.

Insurance Europe	Europe	No	Insurance Europe is concerned about the use of the word "punitive" in this Guidance, as this is very vague, and could result in disproportionate sanctions.	See ABIR comment above.
Insurance Ireland	Ireland	No	This provision provides that regulators should be able to impose punitive sanctions. The term "punitive" is vague.	See ABIR comment above.
Association of British Insurers	United Kingdom	No	The ABI is concerned about the use of the word "punitive" in this Guidance, as this is very vague, and could result in disproportionate sanctions.	See ABIR comment above.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	This provision provides that regulators should be able to impose punitive sanctions. The term "punitive" is vague.	See ABIR comment above.
<b>236 - Q236 Comment on Guidance ICP 10.6.3</b>				
Association of British Insurers	United Kingdom	No	The first sentence of this paragraph should read "...who fail to provide information...".	Noted.
<b>237 - Q237 Comment on Guidance ICP 10.6.4</b>				
Association of British Insurers	United Kingdom	No	The ABI welcomes the Guidance that the sanctions should be commensurate with the nature and severity of the non-compliance, as an explicit application of the overarching concept of proportionality.	Noted.
<b>238 - Q238 Comment on Guidance ICP 10.6.5</b>				
<b>239 - Q239 Comment on Guidance ICP 10.6.6</b>				
<b>240 - Q240 Comment on Guidance ICP 10.6.7</b>				
Insurance Ireland	Ireland	No	This form of relief, without the assistance of law enforcement, is not available in all jurisdictions in the world (e.g. US).	Noted.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	This form of relief, without the assistance of law enforcement, is not available in all jurisdictions in the world.	Noted.

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<b>241 - Q241</b> Comment on Guidance ICP 10.6.8
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<b>242 - Q242</b> Comment on Guidance ICP 10.6.9
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<b>243 - Q243</b> Comment on Guidance ICP 10.6.10
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