



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Compiled Stakeholders' Comments on *Consultation on ICP 9* with resolutions

| Organisation | Jurisdiction | | Answer | Resolution of comments |
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| 1 - Q1 General Comment on ICP 9 | | | | |
| Insurance Europe | Europe | No | <p>Insurance Europe welcomes the opportunity to comment on this revised ICP 9.</p> <p>Insurance Europe agrees with the principles underpinning the scope of ICP9. However, it has the following reservations on the description of these principles:</p> <ul style="list-style-type: none"> - Regarding the development by supervisors of monitoring tools to identify potential risks, it is of utmost importance to ensure that the use of monitoring tools does not lead to earlier intervention or request on the part of supervisors that go beyond the supervisors' mandates prescribed by law. As long as levels of compliance are not breached or infringed upon, there is no need to act in advance (of the law) on the grounds that there is a strong risk of compliance breach. - Regarding the regular supervisory reporting, Insurance Europe agrees that the frequency can be ad hoc, but this should be decided as part of and confined to the recovery plan. The current wording of the ICP would allow the supervisors to require more frequent reporting and/or additional information from insurers "as needed", which in practice means the full discretion of the supervisor. Insurance Europe disagrees with such a requirement as in its view, the frequency of regular reporting should normally be in the supervisory plan ensuing from the risk assessment framework. Reporting is a very resource-intensive process for undertakings, more so in the case of groups. Therefore, having a predictable frequency of reporting is desirable to leverage off other reporting to supervisors that the IAIG may have to carry out. - As for the recourse to external auditors, Insurance Europe does not support the scope and depth of the current provisions. In addition, it should be clear that external auditors are not supervisors and cannot be asked to play the role of supervisors. As a result, the information shared by external auditors should be confined to the one that is in scope in the fulfilment of their audit remit. | <p>Monitoring tools and early intervention does not suggest that the supervisor act beyond its authority or contrary to the law.</p> <p>9.4 addresses regular reporting and requires the scope, content and frequency of reporting to be defined as well as reporting that may be required as needed.</p> <p>The text is not intended to suggest external auditors are supervisors but rather the supervisor can leverage the work of external auditors. Clarification to be added where need be.</p> |
| GDV - German Insurance Association | Germany | No | <p>The German Insurance Association appreciates the opportunity to comment on ICP 9. We welcome that the supervisory framework for review and reporting requirements should be sufficiently flexible to encompass all insurers within a jurisdiction. Thus, the proportionality principle is taken into account. In practice, it will be significant that the supervisory plan, which set priorities and determine the appropriate depth and level of supervision, is adequate to nature, scale and complexity of the insurer.</p> | Noted. |

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| | | | <p>Further, we want to emphasize, that fundamental conditions like relevant reporting, accounting or audit standards are largely determined by law and not at disposal of the supervisor or its framework. In this context, it is important to consider that related processes are very expensive and resource-intensive for undertakings and could not be changed by supervisor's request.</p> <p>In addition, we want to stress, that only the management board legally represents the company. Additional communication channels between supervision and special business areas / functions / external auditor without prior involvement of the management board should be avoided unless exceptional circumstances justify another proceeding (e. g. fraud suspicions against board members).</p> <p>In general, external auditors are not supervisors and cannot be asked to play the role of supervisors. If supervisor needs additional assurance they are entitled to execute on-site inspections, even by using independent experts like auditors or actuaries but on supervisor' behalf and at its expense.</p> | <p>9.4 addresses regular reporting and requires the scope, content and frequency of reporting to be defined as well as reporting that may be required as needed.</p> <p>Noted.</p> <p>The text is not intended to suggest external auditors are supervisors but rather the supervisor can leverage the work of external auditors. Clarification to be added where need be.</p> |
| Global Federation of Insurance Associations | Global | No | <p>Any collection of information must be done in a manner consistent with the laws of the local jurisdiction, and subject to confidentiality requirements. The ICP/ComFrame guidance should not be prescriptive; the extent of assessments should reflect proportionality; and there should not be a mandated frequency (i.e., annually) - the term "periodic" is more appropriate and provides flexibility for the supervisor and insurer to decide on the appropriate frequency of assessments.</p> | <p>The ICPs do not suggest that the supervisor act beyond its authority or contrary to the law. Proportionality is an overarching concept in the ICP Introduction that applies throughout. Confidentiality obligations of the supervisor are addressed in ICP 2; confidentiality and exchange of information in ICP 3 – see addition to 9.1.3.</p> |
| AIA Group | Hong Kong | No | <p>Please refer to our general comments contained in our response to the Introduction to ICPs and ComFrame and Assessment Methodology. As with other ICPs, our view is that the requirements under ICP9 should be applied in relation to the nature, scale and complexity of the insurance group.</p> | <p>Proportionality is an overarching concept in the ICP Introduction that applies throughout.</p> |
| International Actuarial Association | International | No | <p>The re-written contents of ICP 9 are well organized and read much better than the current version.</p> <p>In general, the ComFrame additions seem appropriate and well placed.</p> <p>The IAIS consultation does a much better job than previously of defining the roles of "involved supervisors", "other involved supervisors", "group-wide supervisors", "head of</p> | <p>Noted.</p> |

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| | | | <p>insurance group" etc. The consultation clearly defines the need for IAIG's to be supervised at the head of group level, which for IAIG's includes a non-insurance holding company. It is clear from the ICP introductory remarks that ICP's are to be applied in the supervision of insurance groups that are headed by an insurance legal entity. Unfortunately, this results in a standards cliff, at the group level, since the head of an insurance group which is a non-insurance holding company is not subject to IAIS standards unless it is an IAIG.</p> <p>ICP 9.1.15 only partially addresses this cliff by stating "Although the supervisor may not have the power to conduct supervisory review and reporting of non-regulated entities, it should assess, at a minimum, the potential adverse impact on the insurer of such non-regulated entities".</p> <p>In additions, despite the importance of Control Functions as laid out in ICP 8, ICP 9 references to Control Functions and their importance as part of supervisory review are relatively few, appearing in the Annex and in the CF9.6a.2. The word "control" does appear frequently in the ICP but not with the specific meaning intended by ICP 8.</p> | <p>This is not consistent with how the IAIS has defined "insurance group".</p> <p>ICP 9 is about the process and tools for supervisory review and reporting; specific issues are dealt with in the respective ICPs. See 9.0.1.</p> |
| Association of British Insurers | United Kingdom | No | <p>The Association of British Insurers (ABI) welcomes the opportunity to comment on revised ICPs 9 and 10 and ComFrame material integrated with ICPs 9 and 10.</p> <p>We note that the revised ICP 9 no longer refers to a "risk-based approach to supervision'. We suggest that ICP 9 should make reference to a risk-based approach, as an explicit inclusion of the overarching concept of proportionality and risk-based supervision, as set out in the Introduction and Assessment Methodology paper.</p> <p>In addition, the second sentence of ICP 9 should refer to the need for supervisors to maintain the confidentiality of the information obtained.</p> | <p>The point of making risk based supervision an overarching concept is so that it does not have to be repeated constantly.</p> <p>Confidentiality obligations of the supervisor are addressed in ICP 2 – see addition to 9.1.3.</p> |
| National Association of Mutual Insurance Companies | United States | No | <p>General Comment on ICP9. The ICP/ComFrame guidance should not be prescriptive; the extent of assessments should reflect proportionality; and there should not be a mandated frequency (i.e., annually) - the term "periodic" is more appropriate and provides flexibility for the supervisor and insurer to decide on the appropriate frequency of reports or assessments. Any collection of information must be done in a manner consistent with the laws of the local jurisdiction, and subject to confidentiality requirements.</p> <p>As to the specific nature of the comments on this ICP 9, NAMIC generally concurs with</p> | <p>The ICPs do not suggest that the supervisor act beyond its authority or contrary to the law. Proportionality is an overarching concept in the ICP Introduction that applies throughout. Confidentiality obligations of the supervisor are addressed in ICP 2; confidentiality and exchange of information in ICP 3 – see addition to 9.1.3.</p> |

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| | | | the GFIA submission. | |
| ACLI | US | No | The following sentence should be added at the end of the Standard: "The supervisor obtains information from and shares information with involved supervisors and authorities and with insurers subject to the confidentiality, purpose and use requirements described in ICP 3 and to the legal authority and power of the supervisor under relevant laws relating to confidentiality and professional secrecy, data protection and privacy, and procedural fairness." | Confidentiality obligations of the supervisor are addressed in ICP 2; confidentiality and exchange of information in ICP 3 – see addition to 9.1.3. |
| American Insurance Association | USA | No | Any collection of information must be done in a manner consistent with the laws of the local jurisdiction. The ICP/ComFrame guidance should not be prescriptive as to when certain assessments are performed; references to "periodic" reporting are sufficient. | The ICPs do not suggest that the supervisor act beyond its authority or contrary to the law. Proportionality is an overarching concept in the ICP Introduction that applies throughout. Confidentiality obligations of the supervisor are addressed in ICP 2; confidentiality and exchange of information in ICP 3 – see addition to 9.1.3. |
| Property Casualty Insurers Association of America (PCI) | USA | No | PCI endorses the comments of the Global Federation of Insurance Associations (GFIA). While generally appropriate, the ICP should emphasize and support risk-focused supervision, where supervisors prioritize companies and areas within companies based upon the significance of the risks they pose to policyholders. | Noted. |
| 3 - Q3 Comment on Introductory Guidance ICP 9.0.1 | | | | |
| Insurance Europe | Europe | No | Insurance Europe believes that the framework of the supervisory review would be complete if it comprises three sub-processes: (1) the risk assessment framework, (2) the detailed review and (3) the supervisory measures. Insurance Europe welcomes that ICP10 deals with the latter. However, ICP9 treats as a unit the risk assessment framework and the detailed review which in Insurance Europe's view could be disentangled to improve clarity in the supervisory review process. The detailed review would deal with off-site and on-site monitoring activities. The risk assessment framework would assess current and future risks that the insurer faces or may face and would culminate in the drafting of a supervisory plan that would contain among other things the scope, intensity, and frequency of off-site analyses and on-site activities as well as frequency of regular reporting. In this setting, it goes without saying, that the findings in carrying out off-site and/or on-site activities could bring about an enhancement of the supervisory plan. | Noted. While interesting, taking up such an approach in the ICPs would require a major rewrite. The current approach to ICPs 9 and 10 on supervisory process seems well understood. |

| 4 - Q4 Comment on Introductory Guidance ICP 9.0.2 | | | | |
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| Insurance Europe | Europe | No | Insurance Europe agrees. However, Insurance Europe points out that regarding the 6th bullet point "[...] adjusting the intensity of the assessment under supervisory plans", it is important to lay down that the supervisory plan for insurers shall be commensurate with the nature, scale and complexity of the insurer. Insurance Europe also suggests to replace "intensity" by "frequency and intensity". | This paragraph is about the steps of an overall process, not specific insurers. Added "frequency" |
| GDV - German Insurance Association | Germany | No | Regarding the 2nd bullet point "[...] developing and executing supervisory plans for insurers" and 6th bullet point "[...] adjusting the intensity of the assessment under supervisory plans", it is important to state that the supervisory plan for insurers shall be commensurate with the nature, scale and complexity of the insurer. GDV also suggests replacing "intensity" by "frequency and intensity". | See above. |
| Global Federation of Insurance Associations | Global | No | The supervisory plan anticipated in the 6th bullet point should be commensurate with the nature, scale and complexity of the insurer. We suggest that both the frequency and the intensity of assessment should be subject to adjustment, in application of the proportionality principle. | See above. |
| Association of British Insurers | United Kingdom | No | The "dynamic process" of supervision identified in the bullet points in this Guidance is one-sided. The ABI suggests that a good supervisory process should include more dialogue with the supervised entity than is indicated by the bullet point list in ICP 9.0.2. For example, the fourth bullet point could be expanded, - e.g. "feedback from the supervisor to the insurer, and from the insurer to the supervisor". The sixth bullet point should refer to the frequency of assessment, as well as the intensity. We note that Guidance ICP 9.0.3 has been removed, resulting in the Guidance no longer recognising confidentiality requirements. We consider that an ICP relating to supervisory review and reporting should at least make reference to the need for confidentiality and ICP 3. | Agreed; text added to clarify this bullet. See above. Agreed; having necessary confidentiality protections and a cross reference to ICPs 2 and 3 added to 9.1.3. |
| 17 - Q17 Comment on Standard ICP 9.1 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. As mentioned in Q3, Insurance Europe believes that the framework of the supervisory review would be complete if it comprises three sub-processes: (1) the risk assessment framework, (2) the detailed review and (3) the supervisory measures. A supervisory plan would be the outcome of the risk assessment | Noted. See response to Q3. |

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| | | | framework and would "dictate" among other things, the supervisor's approach to off and on-site activities, as well as frequency of the regular reporting. However, care should be taken that the supervisory review framework recognises the need for flexibility and supervisory judgement. | |
| Association of British Insurers | United Kingdom | No | The ABI welcomes the requirement that the supervisor has a documented framework outlining its approach to supervisory review and reporting, to improve transparency and consistency across insurers. To support this transparency and consistency, the overarching documented framework should be made public. | This is covered in ICP 2. |
| 18 - Q18 Comment on Guidance ICP 9.1.1 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. See also the response to Q17 | Noted. |
| 19 - Q19 Comment on Guidance ICP 9.1.2 | | | | |
| 20 - Q20 Comment on Guidance ICP 9.1.3 | | | | |
| 21 - Q21 Comment on Guidance ICP 9.1.4 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. These activities (ie on-site inspections, off-site monitoring) would be part of the sub process "detailed review" mentioned as part of the responses to Q3 & 17 | Noted. |
| Global Federation of Insurance Associations | Global | No | The distribution of the results of on-site inspections and off-site monitoring activities to all involved staff should be subject to the jurisdiction's confidentiality requirements. | Confidentiality obligations of the supervisor are addressed in ICP 2. |
| ACLI | US | No | The distribution of the results of on-site inspections and off-site monitoring activities to all involved staff should be subject to the jurisdiction's confidentiality requirements. | See above. |
| American Insurance Association | USA | No | The distribution of the results of on-site inspections and off-site monitoring activities to all involved staff should be subject to the jurisdiction's confidentiality requirements. | See above. |
| 22 - Q22 Comment on Guidance ICP 9.1.5 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. However, it is of utmost importance to ensure that the use of monitoring tools does not lead to earlier intervention or request on the part of supervisors that go beyond the supervisors' mandates prescribed by law. As long as | Monitoring tools and early intervention does not suggest that the supervisor act beyond its authority or contrary to the law. |

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| | | | levels of compliance are not breached or infringed upon, there is no need to act in advance (of the law) on the grounds that there is a strong risk of compliance breach. | |
| GDV - German Insurance Association | Germany | No | GDV wants to highlight that the use of monitoring tools does not allow to earlier intervention or request on the part of supervisors that go beyond the supervisors' mandates prescribed by law. As long as levels of compliance are not breached or infringed upon, there is no need to act in advance (of the law) on the grounds that there is a strong risk of compliance breach. | See above. |
| Global Federation of Insurance Associations | Global | No | GFIA agrees. However, it is of utmost importance to ensure that the use of monitoring tools does not lead to earlier intervention or request on the part of supervisors that go beyond the supervisors' mandates prescribed by law. As long as levels of compliance are not breached or infringed upon, there is no need to act in advance (of the law) on the grounds that there is a strong risk of compliance breach. The monitoring tools referred to in this Guidance should be commensurate with the nature, scale, and complexity of the insurer. | See above. |
| Association of British Insurers | United Kingdom | No | The monitoring tools referred to in this Guidance should be commensurate with the nature, scale, and complexity of the insurer. | Proportionality is an overarching concept; 9.1.1 addresses this as well. |
| 23 - Q23 Comment on Guidance ICP 9.1.6 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. However, as mentioned in question Q4, it is important to lay down the provisions of the supervisory review plan in a way that is commensurate with the nature, scale and complexity of the insurer. | Proportionality is an overarching concept; 9.1.1 addresses this as well. |
| Global Federation of Insurance Associations | Global | No | 9.1.6 - Change "insurer's corporate culture" to "insurer's corporate risk culture". The 4th bullet should just read "treatment of customers" since the words "fair" and "proper" are subjective and the word "lawful" is not necessary. | This is existing text and seen as correct terminology given the context. |
| General Insurance Association of Japan | Japan | No | It should be clarified that the listed matters in this guidance are limited to those of high importance. | The list begins with "at least" to reflect the importance of these matters. |
| ACLI | US | No | Change "insurer's corporate culture" to "insurer's corporate risk culture". The 4th bullet should read "treatment of customers" since the words "fair" and "proper" are subjective and the word "lawful" is not necessary | This is existing text and seen as correct terminology given the context. |

| 24 - Q24 Comment on Guidance ICP 9.1.7 | | | | |
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| Insurance Europe | Europe | No | Insurance Europe agrees in principle. However, clarification as to what "trends" should be the subject of analyses is requested. | This is intended to be generic. |
| General Insurance Association of Japan | Japan | No | With regard to comparison between risk assessments and any stress test outcomes, in CF 9.2b, outcomes of the IAIG's stress testing is included on the list of components of the group-wide supervisor's group-wide risk assessment. The connection between this guidance and CF 9.2b is ambiguous. This guidance should be revised to clarify exactly what is required of IAIGs. | This ICP guidance which applies to all insurers. |
| 25 - Q25 Comment on Guidance ICP 9.1.8 | | | | |
| Global Federation of Insurance Associations | Global | No | The required assessment of market macroeconomic impacts is disproportionately burdensome for smaller insurer groups. | This guidance (not a requirement) is for supervisors, not for insurers. |
| General Insurance Association of Japan | Japan | No | Insurers do not have payment and settlement systems, and their systemic risk is relatively small compared to that of banks. Therefore, it is unnecessary to require assessment of the potential impact of the failure of all insurers, including those that have not even been designated as SIFIs. The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA. | Revised so guidance focuses more on the risks related to an insurer's failure as part of about the overall framework for supervision. |
| National Association of Mutual Insurance Companies | United States | No | ICP 9.1.8. The required assessment of market macroeconomic impacts is disproportionately burdensome for smaller insurer groups. | This guidance (not a requirement) is for supervisors, not for insurers. |
| ACLI | US | No | The required assessment of market macroeconomic impacts is disproportionate for smaller groups. | See above. |
| American Insurance Association | USA | No | The required assessment of market macroeconomic impacts is disproportionately burdensome for smaller insurer groups. | See above. |
| Property Casualty Insurers | USA | No | This paragraph should be deleted. The subjects of ICP 9 are supervisory review and reporting, and do not encompass recovery and resolution issues. | See above. |

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| Association of America (PCI) | | | | |
| 26 - Q26 Comment on Guidance ICP 9.1.9 | | | | |
| Insurance Europe | Europe | No | Insurance Europe does not agree. There should be no additional communication channels between the supervisor and the external auditor. And it does not believe specialised areas should be involved in the communication between both supervisors and the insurer. Insurance Europe believes that under normal circumstances the management board of the insurer provide the required information or report to the supervisor. | Such communication is limited to information relevant to carrying out their respective statutory responsibilities. |
| GDV - German Insurance Association | Germany | No | GDV declines additional communication channels between the supervisor and external auditors or supervisor and specialised areas within the insurer for the exchange of information. Only the management board of the insurer is entitled to give information or report to the supervisor. | See above. |
| Global Federation of Insurance Associations | Global | No | Any communication or exchange of information should respect and meet the confidentiality requirements of the relevant jurisdictions. The 3rd sentence should begin as follows: "Additionally, in some jurisdictions, there may be a means to establish appropriate communication channels...". This paragraph should clarify if "external auditors" are those who are hired by the insurer and/or by the supervisor. | See prior responses on same comment. See above. The insurer – this is the same concept as used in ICP 7. |
| General Insurance Association of Japan | Japan | No | If "communication" in this guidance is intended to be part of supervision, it is inappropriate to include a provision which allows the supervisor to directly affect the insurer's businesses for which the supervisor does not have supervisory power, such as non-regulated entities. This guidance should be revised to clarify that "communication" is not meant to be part of supervision. | Communication should be self-explanatory. Unclear how supervisors do their job without communicating. |
| Association of British Insurers | United Kingdom | No | The ABI does not agree with the statement in this Guidance relating to communication between the external auditor and the supervisor. We suggest it should be deleted. | See above. |
| ACLI | US | No | Any communication or exchange of information should be subject to the jurisdiction's confidentiality requirements. The 3rd sentence should begin as follows: "Additionally, in some jurisdictions, there may be a means to establish appropriate communication channels...". Clarify if "external auditors" are those who are hired by the insurer and/or | See above. |

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| | | | by the supervisor. | |
| Property Casualty Insurers Association of America (PCI) | USA | No | <p>Language should be added suggesting that the amount and depth of supervisory communication with an insurer should be proportional to the risks the insurer poses. In addition, "appropriate communication channels" for the exchange of information between external auditor and supervisor needs much greater clarification and control. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor to engage directly with the supervisor and/or for the group-wide supervisor to access all work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols.</p> <p>See also our comments at ICP 9.4.9. below.</p> | <p>Addressed at a higher level with the revision to 9.1.1.</p> <p>See above.</p> |
| 27 - Q27 Comment on Guidance ICP 9.1.10 | | | | |
| Global Federation of Insurance Associations | Global | No | <p>The supervisory framework needs to include a mechanism that allows for intervention by the supervisor for the purpose of ensuring insurer's financial soundness. However, improvement of the insurer's business management should primarily be achieved through the insurer's own initiative, driven by the insurer's autonomous business judgement. Intervention by the supervisor should be a later option for the cases where insurer's own initiative has failed.</p> <p>In addition, we are concerned that the insurer's long-term business management could be damaged if volatility from short-term market fluctuations is overly emphasized in determining supervisory intervention. In particular, given the circumstances where various jurisdictions are considering the implementation of solvency regulation based on market value, such intervention could pose unintended impact on the financial market as well as the intervened insurer. As such, it is not appropriate for this guidance to state that "the framework should promote pro-active and early intervention by the supervisor".</p> <p>We propose to revise this guidance as follows:</p> <p>"The framework may include the mechanism that allows for intervention by the supervisor in the cases where the insurer's business management needs to be improved and the insurer's own initiative would not be able to achieve it."</p> | <p>The point of this paragraph is that supervisors should not just be reactive but also proactive. This does not suggest that the supervisor takes over from management. ICP 10 addresses when the supervisor should take preventive or corrective measures.</p> |
| General Insurance | Japan | No | <p>There is a contradiction between the ICP 9.0.2 and this guidance. While the former explains that supervision includes intervention "where necessary", according to the</p> | <p>Disagree; intervening when necessary and being proactive are not mutually exclusive.</p> |

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| Association of Japan | | | latter, "the framework should promote pro-active and early intervention by the supervisor". As this guidance merely describes a wish or a will rather than a rule, we suggest deleting it. | |
| The Life Insurance Association of Japan | Japan | No | <p>The supervisory framework needs to include a mechanism that allows for intervention by the supervisor for the purpose of ensuring the insurer's financial soundness. However, the improvement of the insurer's business management should primarily be achieved through the insurer's own initiative driven by the insurer's autonomous business judgement. Intervention by the supervisor should be the next potential option in the event the insurer's own initiative would have failed.</p> <p>In addition, we are concerned of the cases where the insurer's long-term business management could be damaged if volatility from short-term market fluctuations is overly emphasized in determining supervisory intervention. In particular, given the circumstances where various jurisdictions are considering to implement solvency regulation based on market value, such an intervention could pose unintended impact on the financial market as well as the intervened insurer. As such, it is not appropriate for this guidance to state "the framework should promote pro-active and early intervention by the supervisor".</p> <p>As our conclusion, we would propose to revise this guidance as follows:</p> <p>"The framework may include the mechanism that allows for intervention by the supervisor in cases where the insurer's business management needs to be improved and the insurer's own initiative would not be able to achieve it."</p> | The point of this paragraph is that supervisors should not just be reactive but also proactive. This does not suggest that the supervisor takes over from management. ICP 10 addresses when the supervisor should take preventive or corrective measures. |
| Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>We note that supervisors should take into account that early intervention only based on short-term financial volatility could impact on insurers' long-term business.</p> <p>We suggest to add to the standard: "The supervisor should carefully decide the measure and timing of its early intervention taking into account insurers' risk characteristics." This in order to avoid supervisory intervention just based on fluctuations in market prices.</p> | There are a variety of issues on which the supervisor may wish to be proactive, not just short-term volatility. |
| 28 - Q28 Comment on Guidance ICP 9.1.11 | | | | |
| 29 - Q29 Comment on Guidance ICP 9.1.12 | | | | |

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| Global Federation of Insurance Associations | Global | No | As part of the review of the supervisory framework, the supervisor should also confer with insurers subject to the supervisory framework. | Agreed; revised to include conferring with stakeholders. |
| Association of British Insurers | United Kingdom | No | As part of the review of the supervisory framework, the supervisor should also confer with insurers subject to the supervisory framework. | See above. |
| ACLI | US | No | It is not the IAIS' role to recommend how countries should fund resolutions. | Not applicable. |
| 30 - Q30 Comment on Guidance ICP 9.1.13 | | | | |
| Association of British Insurers | United Kingdom | No | Although we recognise the need for a flexible supervisory review and reporting framework, this must be balanced with the need for stability in the review and reporting framework, as frequent changes are extremely time- and resource-consuming. | Text added to 9.1.12 to reflect this point. |
| 31 - Q31 Comment on Guidance ICP 9.1.14 | | | | |
| General Insurance Association of Japan | Japan | No | Although this guidance requires the framework for supervisory review and reporting by the group-wide supervisor to cover all entities identified within the scope of the insurance group, non-regulated entities and other specific entities should be excluded. | Revised to clarify that the framework should take these entities into account, not perform review and reporting for all these entities. |
| 32 - Q32 Comment on Guidance ICP 9.1.15 | | | | |
| General Insurance Association of Japan | Japan | No | Assessments of the potential adverse impact that non-regulated entities could cause are premised on not using direct supervisory approaches. In order to prevent a misunderstanding that this guidance provides for the supervisor's direct access to entities for which it does not have supervisory power, how such assessments are to be conducted should be clarified. | This does not suggest having direct supervision over non-regulated entities. Assessing the impact of non-regulated entities on the insurance group is addressed in a number of places in IAIS material. |
| Institute of International Finance and the Geneva Association | United States/Switzerland | No | The guidance should be modified as follows: "although the group-wide supervisor may not have the power" | Agreed. |
| 33 - Q33 Comment on Guidance ICP 9.1.16 | | | | |
| General | Japan | No | It is preferable that supervisors cooperate through supervisory colleges to smoothly | This is addressed in ICP 25. |

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| Insurance Association of Japan | | | conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, the last sentence should be deleted. | This is only an example. |
| Association of British Insurers | United Kingdom | No | The example should be clear that the host supervisor would only be able to undertake an inspection as recommended by the group-wide supervisor where such an inspection is permitted by the jurisdiction of the host supervisor. | This does not suggest violating the authority of laws of the host supervisor. |
| 34 - Q34 Comment on Standard ICP 9.2 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. This is consistent with Insurance Europe's description of the supervisory review framework wherein the supervisory plan will be part of the sub process "risk assessment framework". | Noted. |
| Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries) | Germany | No | The section on ICP 9.2 and the integrated ComFrame text seem to have different focus resulting in inconsistent parts of the text. While the main topic in Section 9.2 is the supervisory plan the part on IAIGs (CF9.2) is focused on risk assessment. Risk assessment is not addressed otherwise in 9.2. | The ICP guidance addresses how assessments are part of the plan. CF 9.2a makes a direct link. |
| GDV - German Insurance Association | Germany | No | The supervisory plan for insurers shall be commensurate with the nature, scale and complexity of the insurer. | Noted; proportionality is an overarching concept. |
| International Actuarial Association | International | No | The section on ICP 9.2 and the integrated ComFrame text seem to have a different focus resulting in inconsistent parts of the text. The main topic in Section 9.2 is the supervisory plan the part on IAIGs, but (ComFrame 9.2) is focused on risk assessment. Risk assessment is not addressed otherwise in 9.2. | The ICP guidance addresses how assessments are part of the plan. CF 9.2a makes a direct link. |
| 35 - Q35 Comment on Guidance ICP 9.2.1 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. As noted in Q4, it is important to lay down that the supervisory plan for insurers shall be commensurate with the nature, scale and complexity of the insurer. | Noted. |
| Global Federation | Global | No | This Guidance should recognize the importance of applying the principle of | Noted; proportionality is an overarching |

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| of Insurance Associations | | | proportionality when developing a supervisory plan. | concept. |
| Association of British Insurers | United Kingdom | No | This Guidance should recognise the importance of applying the overarching concept of proportionality, as identified in the Introduction and Assessment Methodology paper, when developing a supervisory plan. | See above. |
| 36 - Q36 Comment on Guidance ICP 9.2.2 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. In fact, Insurance Europe believes that the national supervisory authority should use among other things the outcome of the risk management framework to develop the supervisory plan. | Noted. |
| Property Casualty Insurers Association of America (PCI) | USA | No | We strongly agree with the statement that "the supervisor should assess and determine the key areas of risk to which insurers are exposed", and the framework and supervisory plans should be designed to allow the supervisor to focus on high-risk areas as opposed to low-risk areas. | Noted. |
| 37 - Q37 Comment on Guidance ICP 9.2.3 | | | | |
| Global Federation of Insurance Associations | Global | No | We suggest adding the phrase ", which should be subject to appropriate cost/benefit analyses" at the end of the paragraph. | Will consider whether cost/benefit analysis is something that can be addressed more generally in ICP 2. |
| ACLI | US | No | Add the phrase ", which should be subject to appropriate cost/benefit analyses" at the end of the paragraph. | See above. |
| 62 - Q62 Comment on Standard ICP 9.3 | | | | |
| GDV - German Insurance Association | Germany | No | GDV wants to highlight that supervisor reviews should be limited to material (in sense of very important or critical) outsourcings. | The standard says "material". |
| Association of British Insurers | United Kingdom | No | The ABI considers that powers for the supervisor to review outsourced material activities or functions to the same level as non-outsourced are only appropriate in exceptional circumstances where, after consulting with the insurer, the regulator is still not satisfied with the information it received from the insurer on the outsourced material or activity in question. | This is an existing standard. Guidance states that the process may differ. |
| Institute of | United | No | Granting regulators the ability to conduct exams on third parties on an open-ended | See above. |

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| International Finance and the Geneva Association | States/Switzerland | | basis is not acceptable. These powers should be curtailed and only be permissible in exceptional circumstances where, after consulting with the insurer, the regulator is still not satisfied with the information it received from the insurer on the outsourced material or activity in question. | |
| 63 - Q63 Comment on Guidance ICP 9.3.1 | | | | |
| Association of British Insurers | United Kingdom | No | <p>The ABI considers that the proposal to carry out on-site inspections of possibly non-insurance and non-regulated entities is very intrusive, and such inspections are likely to be outside the supervisor's purview. We also question whether the supervisor will have sufficient expertise to carry out such an inspection (of a large audit firm, for example).</p> <p>At the very least, this Guidance should clarify in which situations it would be "necessary" for a supervisor to go beyond the insurer and carry out on-site inspections of entities engaged in providing outsourced activities - we suggest this should only be where the information required is not available from the insurer.</p> | See above. |
| 64 - Q64 Comment on Guidance ICP 9.3.2 | | | | |
| 65 - Q65 Comment on Guidance ICP 9.3.3 | | | | |
| 66 - Q66 Comment on Standard ICP 9.4 | | | | |
| Insurance Europe | Europe | No | <p>In principle, Insurance Europe agrees.</p> <p>However, regarding the 3rd bullet point, the accounting standards to be used for the IAIGs would be enshrined in law and should not be subject to supervisors' wishes.</p> <p>Regarding the last bullet point, the frequency of regular reporting should normally be in the supervisory plan ensuing from the risk assessment framework. Reporting is a very resource-intensive process for undertakings, more so in the case of groups. Therefore, having a predictable framework of reporting regarding frequency is desirable to leverage off other reporting to supervisors that the IAIG may have to carry out. Insurance Europe agrees that the frequency can be ad hoc, but this should be decided as part of and confined to the recovery plan.</p> | <p>The supervisor "sets out" which standards are to be used, but this does not necessarily mean they set them – clarification has been added to 9.4.6.</p> <p>The second bullet requires the scope, content and frequency of reporting to be defined; the last bullet is only with respect to additional (ad hoc) reporting.</p> <p>The ICPs are not IAIG specific.</p> |
| GDV - German Insurance Association | Germany | No | <p>Regarding the 3rd bullet point, the accounting standards to be used for the IAIGs would be enshrined in law and should not be subject to supervisors' wishes. Regarding the last bullet point, the frequency of regular reporting should normally also be stated by law.</p> <p>Regular reporting is a very resource-intensive process for undertakings, more so in the</p> | See above. |

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| | | | case of groups. We agree that reports could be adhoc, but this should be decided as part of crisis management (e.g. recovery plan). | |
| Global Federation of Insurance Associations | Global | No | <p>It should be up to the jurisdiction to decide the level of scrutiny applied to annual financial statements (4th bullet point).</p> <p>Add a bullet that states: "is subject to the jurisdiction's confidentiality requirements with regard to the distribution of any information that has been provided by an insurer".</p> <p>The frequency of regular reporting should normally be in the supervisory plan ensuing from the risk assessment framework. Reporting is a very resource-intensive process for undertakings, more so in the case of groups. Therefore, having a predictable framework of reporting regarding frequency is desirable to leverage off other reporting to supervisors that the IAIG may have to carry out. We agree that the frequency of reporting can be ad hoc, but should be decided in consultation with the IAIG's management.</p> | <p>This is an existing standard.</p> <p>This is covered by ICP 2.</p> <p>See above.</p> |
| General Insurance Association of Japan | Japan | No | While it is reasonable for the supervisor to develop relevant auditing standards, in light of the heavy compliance burden compared with current practices, we oppose any requirements on an audit of figures of subsidiaries to be submitted to the supervisor when such an audit is not even required under financial accounting rules. | This is not part of this standard. |
| Association of British Insurers | United Kingdom | No | <p>It should be up to the jurisdiction to decide the level of scrutiny applied to annual financial statements (fourth bullet point).</p> <p>While the ABI recognises that in some situations more frequent reporting or additional information may be required (seventh bullet point), there should be recognition in the ICP of the burden of this to the reporting entity. For example, such a request should be strictly for the purposes of supervision, and as much lead time as possible should be provided.</p> | <p>This is an existing standard.</p> <p>The second bullet requires the scope, content and frequency of reporting to be defined; the last bullet is only with respect to additional (ad hoc) reporting.</p> |
| Institute of International Finance and the Geneva Association | United States/Switzerland | No | Financial reporting and audit requirements may be determined by a body other than the supervisor. | Clarification to be provided. |
| ACLI | US | No | Add a bullet that states: "is subject to the jurisdiction's confidentiality requirements with regard to the distribution of any information that has been provided by an insurer". | This is covered by ICP 2. |

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| American Insurance Association | USA | No | AIA recommends adding an additional bullet that states: "establishes processes and procedures pursuant to the jurisdiction's confidentiality requirements with regard to the distribution of any information that has been provided by an insurer". | See above. |
| Liberty Mutual Insurance Group | USA | No | The ICS should not be adopted in its current form. The ICS is not entity based. Its focus on financial stability unreasonably detracts from its usefulness with respect to policyholder protection. It would establish a consolidated, quantitative group capital requirement, rather than an aggregated assessment approach as currently being developed by the NAIC. Unless substantially revised, the current ICS will not be adopted in the United States or in many of the other jurisdictions where Liberty Mutual transacts business. The IAIS should not assume otherwise. | Not applicable. |
| 67 - Q67 Comment on Guidance ICP 9.4.1 | | | | |
| Insurance Europe | Europe | No | Insurance Europe disagrees. The supervisory reporting requirements could and should be set in advance to avoid uncertainty for the firms and enhance transparency. The intensity of supervision might differ, however that would be the consequence of the outcome of the risk assessment framework. | This paragraph is not about timing but rather to reflect proportionality. Revisions have been made to clarify. |
| GDV - German Insurance Association | Germany | No | GDV disagrees. The supervisory reporting requirements should be set in advance by national legal regulation. The intensity of supervision might differ, however that would be the consequence of the outcome of the risk assessment framework. | See above. |
| Global Federation of Insurance Associations | Global | No | Reporting imposes a significant burden on the reporting entity. This Guidance does not recognize that reporting requirements that vary according to overall market structure and conditions would create considerable uncertainty. Supervisory reporting requirements should be set in advance, and be as transparent and predictable as possible. | See above. |
| Association of British Insurers | United Kingdom | No | As noted above in Q66, reporting imposes a significant burden on the reporting entity. This Guidance does not recognise that reporting requirements that vary according to overall market structure and conditions would create considerable uncertainty. Supervisory reporting requirements should be as transparent and predictable as possible. | See above. |
| 68 - Q68 Comment on Guidance ICP 9.4.2 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees that the reporting requirements could make such a distinction. | ICP 2 addresses the publication of |

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| | | | However, the requirements themselves should be enshrined in law and therefore known in advance. See Q67. | supervisory requirements. |
| 69 - Q69 Comment on Guidance ICP 9.4.3 | | | | |
| Insurance Europe | Europe | No | Insurance Europe does not support the scope and depth on these provisions. | This is guidance and includes existing material. |
| General Insurance Association of Japan | Japan | No | The type of information that insurers are required to report should be limited to that of high importance. | The use of “at a minimum” is intended to reflect their importance. |
| Canadian Institute of Actuaries | Ontario | No | We are surprised that there is no suggested requirement for actuarial reports; for example, addressing the valuation of insurance contract liabilities, the determination of supervisory capital requirements, and other capital adequacy assessments. | Added “actuarial information” |
| Association of British Insurers | United Kingdom | No | As noted in our response to Q66, it should be up to the jurisdiction to decide the level of scrutiny applied to annual financial statements (second bullet point). | Noted. |
| 70 - Q70 Comment on Guidance ICP 9.4.4 | | | | |
| 71 - Q71 Comment on Guidance ICP 9.4.5 | | | | |
| Insurance Europe | Europe | No | Insurance Europe notes that if supervisors would need additional information, they are entitled to perform on-site inspections (ICP 9.6), the supervisors can make use of independent experts like auditors or actuaries as support (ICP 9.6.5 and ICP2), however this should be on behalf and at expense of the supervisor. | This is about reporting requirements in general, not as a one-off. |
| GDV - German Insurance Association | Germany | No | GDV disagrees with the external audit or actuarial review requirement on request of supervisors. Scope and frequency of external audit/ actuarial reviews are clearly stated by national law. If supervisors need additional assurance they are entitled to execute on-site inspections (see 9.6), even by using independent experts like auditors or actuaries as support (see 9.6.5 and ICP 2) on behalf and at expense of the supervisor. | See above. |
| General Insurance Association of Japan | Japan | No | In Japan, insurers are not currently required to use audited balance sheets to calculate their solvency margin ratio. If the usage of audited balance sheets becomes compulsory for all reports submitted to the supervisor, including those for solvency regulation, the burden on insurers will be excessively heavy. | This is guidance, not a requirement. |

| 72 - Q72 Comment on Guidance ICP 9.4.6 | | | | |
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| Insurance Europe | Europe | No | See the response to Q66 regarding the setting out of accounting standards. | Text added to clarify. See comment on Q66. |
| Institute of International Finance and the Geneva Association | United States/Switzerland | No | Financial reporting and audit requirements may be determined by a body other than the supervisor. | See above. |
| 73 - Q73 Comment on Guidance ICP 9.4.7 | | | | |
| Institute of International Finance and the Geneva Association | United States/Switzerland | No | It may not be necessary for the auditing standards to be generally accepted internationally for the audit to be of value and fit for purpose therefore we suggest "that are generally accepted internationally" be deleted from the guidance. | This is guidance and reflects good practice. |
| 74 - Q74 Comment on Guidance ICP 9.4.8 | | | | |
| Insurance Europe | Europe | No | Insurance Europe has strong concerns with the wording of this Guidance. External auditors are not supervisors and cannot be asked to play the role of supervisors. The information shared by external auditors should be confined to the one that is in scope in the fulfilment of their audit remit. | The text is not intended to suggest external auditors are supervisors but rather the supervisor can leverage the work of external auditors. Text has been revised to clarify. |
| GDV - German Insurance Association | Germany | No | GDV disagrees. External auditors are not supervisors and cannot be asked to play the role of supervisors. The information shared by external auditors has to be confined to the one that is in scope in the fulfilment of their audit remit. If supervisors need additional assurance they are entitled to execute on-site inspections (see 9.6), even by using independent experts like auditors or actuaries as support (see 9.6.5 and ICP 2) on behalf of the supervisor. | See above. |
| Global Federation of Insurance Associations | Global | No | Change the beginning of the 1st sentence from "External auditors should play a role" to "External audits may play a role". Change the beginning of the 2nd sentence from "For example, supervisors may | See above. |

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| | | | leverage the work of external auditors" to "For example, supervisors may utilize the external audits to identify". | |
| Association of British Insurers | United Kingdom | No | The proposal in this Guidance blurs the roles of external auditors and supervisors. While a supervisor may find the external audit useful in its supervisory review, the external audit should be conducted according to audit requirements, and not with an eye to the supervision of the insurer. | See above. |
| ACLI | US | No | Change the beginning of the 1st sentence from "External auditors should play a role" to "External audits may play a role". Change the beginning of the 2nd sentence from "For example, supervisors may leverage the work of external auditors" to "For example, supervisors may utilize the external audits to identify". | See above. |
| American Insurance Association | USA | No | External auditors may have professional and contractual responsibilities to persons other than supervisors, so the ICPs should not presume to change those obligations. Therefore, AIA recommends changing the beginning of the 1st sentence from "External auditors should play a role" to "External audits may play a role" and changing the beginning of the 2nd sentence from "For example, supervisors may leverage the work of external auditors" to "For example, supervisors may utilize the external audits to identify". | See above. |
| 75 - Q75 Comment on Guidance ICP 9.4.9 | | | | |
| Insurance Europe | Europe | No | Insurance Europe considers that the wording in this Guidance goes too far. Any professional person is duty-bound to escalate clear evidence of fraud to the relevant authorities. However, this Guidance requires the escalation of matters of suspicion by an external auditor "without delay". Escalating "without delay" means the external auditor will likely err on the side of caution and escalate matters without prior clarification or the full facts, tending to escalate unnecessarily. See also our response to Q74 | This guidance addresses how the external auditor should not wait to inform the supervisor of matters of material significance; it does not suggest the external auditor take uniformed or unnecessary action. Text has been revised to use "indication" rather than "suspicion". |
| GDV - German Insurance Association | Germany | No | GDV declines that the external auditor should report significance findings without delay and without prior consent with the insurer to the supervisor. This could lead to wrong or misleading information. Consented audit results are included in audit reports that will be provided to the supervisor. Besides the management board is obliged to provide information that could materially impact the insurer's risk profile or financial position to the supervisor in a timely manner (see ICP 9.4.11). This should be sufficient unless exceptional circumstances preclude (e. g. fraud suspicions against board members). | See above. |

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| Global Federation of Insurance Associations | Global | No | <p>Any professional person is duty-bound to escalate clear evidence of fraud to the relevant authorities. However, this Guidance requires the escalation of matters of suspicion by an external auditor "without delay". Escalating "without delay" means the external auditor will likely err on the side of caution and escalate matters without prior clarification or the full facts, tending to escalate unnecessarily.</p> <p>Furthermore, the term "external auditor" should be clarified. If the external auditor is hired by the insurer, then the requirement that the auditor report to the supervisor on certain matters could cause a conflict of interest between the auditor and the insurer.</p> | <p>See above.</p> <p>The insurer – this is the same concept as used in ICP 7.</p> |
| General Insurance Association of Japan | Japan | No | <p>Japan's Financial Instruments and Exchange Act (Article 193-3) provides that, upon discovering significant problems, a certified public accountant or auditing firm must give a written notice to the company, and under certain conditions such as an absence of any appropriate measures taken by the company within the specified period, report to the supervisor after notifying the company of the filing. In this context, it is reasonable for the external auditor to report to the supervisor directly. However, at the same time, the external auditor is required to notify the insurer's auditor of the filing without delay. Therefore, we find requiring that "such information should be provided to the supervisor without the need for prior consent of the insurer" unreasonable. In principle, a structure where the insurer rather than the external auditor reports to the supervisor should be ensured.</p> | See above. |
| Association of British Insurers | United Kingdom | No | <p>The ABI considers that the wording in this Guidance goes too far. Any professional person is duty-bound to escalate clear evidence of fraud to the relevant authorities. However, this Guidance requires the escalation of matters of suspicion by an external auditor "without delay". Escalating "without delay" means the external auditor will likely err on the side of caution and escalate matters without prior clarification or the full facts, tending to escalate unnecessarily.</p> <p>See also our response to Q74 above.</p> | See above. |
| Institute of International Finance and the Geneva Association | United States/Switzerland | No | <p>The wording in this standard is concerning. Obviously, any professional person is duty bound to escalate clear evidence of fraud to the relevant authorities. However, this standard requires the escalation of "likely... suspicion" by an external auditor without prior clarification or the full facts. Escalating "without delay" means the external auditor will err on the side of escalating unnecessarily.</p> | See above. |
| ACLI | US | No | <p>The term "external auditor" should be clarified. If the external auditor is hired by the insurer, then the requirement that the auditor report to the supervisor on certain matters</p> | <p>The insurer – this is the same concept as used in ICP 7.</p> |

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| | | | could cause a conflict of interest between the auditor and the insurer. | |
| American Insurance Association | USA | No | The term "external auditor" should be clarified. If the external auditor is hired by the insurer, then the requirement that the auditor report to the supervisor on certain matters could cause a conflict of interest between the auditor and the insurer. | See above. |
| Property Casualty Insurers Association of America (PCI) | USA | No | The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor within a short period of time (currently 5 business days in the U.S.). | Noted. |
| 76 - Q76 Comment on Guidance ICP 9.4.10 | | | | |
| Insurance Europe | Europe | No | See Q66 regarding frequency of reporting | Noted. |
| Global Federation of Insurance Associations | Global | No | The term "customer profile" should be clarified. | Deleted; this was the only time in ICP 9 this term is used and was not clear. |
| ACLI | US | No | The term "customer profile" should be clarified. | See above. |
| 77 - Q77 Comment on Guidance ICP 9.4.11 | | | | |
| Insurance Europe | Europe | No | Insurance Europe believes that all information requested as part of reporting should be delivered in a timely manner so long as it is a legal requirement. | Noted. |
| 78 - Q78 Comment on Guidance ICP 9.1.12 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. Any framework needs a reasonable period for the requirements to bed down and thereafter a review should occur to help improve the system. | Noted. |
| 79 - Q79 Comment on Guidance ICP 9.4.13 | | | | |
| Institute of International Finance and the Geneva | United States/Switzerland | No | This information should be developed at the group level and shared through the supervisory college. | Noted; however, the ICPs are for all types of groups, some of which do not have colleges. |

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| Association | | | | |
| 80 - Q80 Comment on Guidance ICP 9.4.14 | | | | |
| Global Federation of Insurance Associations | Global | No | A power to obtain information from any entity within an insurance group is too broad. Under the current ICP 9.4.10, information on any entity can be obtained, but not from any entity - the supervisor would obtain it from the regulated entity. | Agreed; revised to clarify this is information about an entity, not necessarily from that entity. |
| General Insurance Association of Japan | Japan | No | Although coordination with the supervisors of affected jurisdictions is indicated as a condition, it is not appropriate to allow the supervisor to obtain relevant information from any entity within an insurance group, even if it is located in other jurisdictions. ICP 3 provides that, if a legitimate interest and valid supervisory purpose exists, involved supervisors share information. Therefore, this guidance should be deleted. | See above. |
| Association of British Insurers | United Kingdom | No | The ABI considers that a power to obtain information from any entity within an insurance group is too broad. Under the current ICP 9.4.10, information on any entity can be obtained, but not from any entity - the supervisor would obtain it from the regulated entity. This Guidance should also elaborate on what is 'relevant information'; we suggest that the information should relate to the supervisor's objectives in respect of the supervision of the insurer. | See above. |
| 81 - Q81 Comment on Guidance ICP 9.4.15 | | | | |
| 82 - Q82 Comment on Guidance ICP 9.4.16 | | | | |
| General Insurance Association of Japan | Japan | No | The information submitted to the group-wide supervisor regarding intra-group transactions should be limited to that on significant transactions. | Added "material" to clarify. |
| Property Casualty Insurers Association of America (PCI) | USA | No | Suggest this guidance be clarified - is this information being submitted by the head of the group? Suggest it also be rewritten to be more risk-based as well; as currently drafted, the guidance focuses on general information to be submitted but does not say why this information would be useful or suggest the group-wide supervisor should take a risk-based approach in seeking information on the insurance group. | Agreed; clarification added as to why the group-wide supervisor may require this information and how it may be helpful. |

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| 89 - Q89 Comment on Standard ICP 9.5 | | | | |
| 90 - Q90 Comment on Guidance ICP 9.5.1 | | | | |
| 91 - Q91 Comment on Guidance ICP 9.5.2 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. However, off-sites and on-sites activities should originate from the supervisory plan which would have been arrived at as a result of the risk assessment (which is based e.g. on historical information, stress test, etc.). In Insurance Europe's opinion (see Q17), the framework of the supervisory review would be complete if it comprises three sub-processes: (1) the risk assessment framework, (2) the detailed review and (3) the supervisory measures. Off-sites and on-sites monitoring would be part of the detailed review, which Insurance Europe agrees, might lead to the conclusion that the supervisory plan should be enhanced. | Noted. |
| 92 - Q92 Comment on Guidance ICP 9.5.3 | | | | |
| 93 - Q93 Comment on Guidance ICP 9.5.4 | | | | |
| 94 - Q94 Comment on Guidance ICP 9.5.5 | | | | |
| 95 - Q95 Comment on Standard ICP 9.6 | | | | |
| ABIR Association of Bermuda Insurers & Reinsurers | BERMUDA | No | "Advance notice to the insurer should not be required before conducting an on-site inspection, although advance notice is normally given'. Advance notice should be given in almost all circumstances. No advance notice should only apply in extremely unusual circumstances. Advance notice in dialogue with the insurer only serves for a more effective on-site process and coordination of the availability of resources. Again - strict confidentiality framework should be adhered to for sharing of documents, during on-site inspection. | This is not part of the standard. Noted. |
| Insurance Europe | Europe | No | Insurance Europe agrees. However, on-site inspections (or off-site inspections for that matter) will be detailed in the supervisory plan which would result from the initial process of the supervisory review, namely the risk assessment (see Q91) | Noted. |
| Global Federation of Insurance Associations | Global | No | This Standard provides for the supervisor to set the objective, scope, and timing of on-site inspection. We suggest this should be a two-way process, with a dialogue between the supervisor and the insurer to ensure the on-site inspection is as useful as possible for both the supervisor and the insurer, even if the final objective, scope, and timing is | There may be dialogue once the objective, scope and timing are determined, but these are up to the supervisor to set. |

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| | | | set by the supervisor. | |
| Insurance Ireland | Ireland | No | 'Advance notice to the insurer should not be required before conducting an on-site inspection, although advance notice is normally given'. Advance notice should be given in almost all circumstances. No advance notice should only apply in extremely unusual circumstances. Again- strict confidentiality framework should be adhered to for sharing of documents, during on-site inspection. | This is not part of the standard. |
| Association of British Insurers | United Kingdom | No | This Standard provides for the supervisor to set the objective, scope, and timing of on-site inspection. We suggest this should be a two-way process, with a dialogue between the supervisor and the insurer. This would help to ensure the on-site inspection is as useful as possible for both the supervisor and the insurer, even if the final objective, scope, and timing is set by the supervisor. | There may be dialogue once the objective, scope and timing are determined, but these are up to the supervisor to set. |
| 96 - Q96 Comment on Guidance ICP 9.6.1 | | | | |
| Insurance Europe | Europe | No | See Q91 | Noted. |
| Association of British Insurers | United Kingdom | No | The ABI suggests amending the first sentence to say "On-site inspections may help the supervisor...". | The purpose of this sentence describes the general purpose of on-site inspections. |
| 97 - Q97 Comment on Guidance ICP 9.6.2 | | | | |
| 98 - Q98 Comment on Guidance ICP 9.6.3 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. See also the response to Q95. | Noted. |
| Property Casualty Insurers Association of America (PCI) | USA | No | On-site examiners should also be required to coordinate their work with supervisory staff that perform off-site monitoring to increase efficiency and reduce duplication of work (and unnecessary requests of the insurer being reviewed or examined). If a jurisdiction requires an annual independent audit, on-site exams should not be full-scope exams, but should instead be of a limited scope. At a minimum, each insurer should receive a limited scope off-site exam over a given number of years. If an insurer is troubled, a full scope examination may be appropriate. | Agreed; text added to 9.6.2. 9.6.4 and 9.6.6 address this. |
| 99 - Q99 Comment on Guidance ICP 9.6.4 | | | | |
| Insurance Europe | Europe | No | Insurance Europe agrees. See the response to Q17 regarding the supervisory plan. | Noted. |

| 100 - Q100 Comment on Guidance ICP 9.6.5 | | | | |
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| Insurance Europe | Europe | No | Insurance Europe notes this Guidance is not clear on who will be bearing the additional costs when additional resources or specific expertise is needed. Any information obtained via on-site inspection should be subject to strict confidentiality requirements. | This would depend on the situation and jurisdictional provisions. Noted. |
| 101 - Q101 Comment on Guidance ICP 9.6.6 | | | | |
| 102 - Q102 Comment on Guidance ICP 9.6.7 | | | | |
| Insurance Europe | Europe | No | Communication with the undertaking in advance of the on-site inspection would facilitate the collection of information, the meeting with key persons, as well as availability of workspace. It should only be in extremely unusual circumstances where advance notice is not given. Any information obtained via on-site inspection should be subject to strict confidentiality requirements. | Text reordered and revised to better reflect the general practice and then note the exception. Noted. |
| Global Federation of Insurance Associations | Global | No | The wording of this paragraph should be amended, because it implies that advanced notice is not necessarily to be preferred. Advanced notice should be the preferred method, and advanced notice should be given in all circumstances, barring extraordinary circumstances (i.e. theft, fraud). Providing advance notice will help achieve better outcomes from the on-site inspection. Strict confidentiality should be maintained for information gathered during the on-site inspection. | See above. |
| Association of British Insurers | United Kingdom | No | Groups should always receive advance notice of the on-site visit, as this would be more likely to lead to better and more useful outcomes from the visit. It should only be in extremely unusual circumstances where advanced notice is not provided. The ABI suggests this Guidance should be clear that any information obtained on such a visit should be subject to strict confidentiality requirements. | See above. |
| Institute of International Finance and the Geneva | United States/Switzerland | No | "Advance notice to the insurer should not be required before conducting an on-site inspection, although advance notice is normally given". Advance notice should be given in almost all circumstances. No advance notice should only apply in extremely unusual circumstances. | See above. |

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| Association | | | Strict confidentiality framework should be adhered to for sharing of documents, during on-site inspection. | |
| American Insurance Association | USA | No | <p>Language regarding advance notice should be modified because it implies that advance notice is not necessarily the preferred method; however, advance notice should always be the preferred method, barring extraordinary circumstances (i.e. theft, fraud).</p> <p>o This provision states: "Advance notice to the insurer should not be required before conducting an on-site inspection, although advance notice is normally given". We disagree: advance notice should be given in almost all circumstances. Only extremely unusual circumstances should justify the foregoing of advance notice.</p> <p>o Strict confidentiality should be maintained for information gathered during the on-site inspection.</p> | Noted. |
| GDV - German Insurance Association | Germany | No | GDV disagrees. Communication with the undertaking in advance of the on-site inspection facilitates the collection of information and meeting arrangement with key persons, as well as availability of workspace unless exceptional circumstances preclude (e.g. fraud suspicions against board members). | Noted. |
| 103 - Q103 Comment on Guidance ICP 9.6.8 | | | | |
| 121 - Q121 Comment on Standard ICP 9.7 | | | | |
| 122 - Q122 Comment on Guidance ICP 9.7.1 | | | | |
| 123 - Q123 Comment on Guidance ICP 9.7.2 | | | | |
| 130 - Q130 Comment on Annex to ICP 9 | | | | |
| Global Federation of Insurance Associations | Global | No | <p>With respect to the Annex to ICP 9, we recommend the following edits:</p> <p>Section A.: In the 1st bullet, minutes of the Board and its committees should only be reviewed by the group-wide supervisor.</p> <p>In the 2nd bullet, certain communications provided by the auditors to the Board and/or the Audit Committee, such as work-papers, may be privileged and/or confidential.</p> <p>In the 3rd bullet, the term "external auditor" should be clarified, and if the external auditor is hired by the insurer, then certain information obtained by the external auditor</p> | <p>This is not group specific.</p> <p>The ICPs do not suggest breaking the law.</p> <p>The insurer – same as used in ICP 7.</p> |

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| | | | <p>may be privileged and/or confidential. In the 5th bullet, add "(noting that not all Board members are independent of the insurer, e.g., CEO)" after "evaluating the independence of the Board Members". Section E.: In the heading, delete the word "fair" since it is subjective. In the 1st bullet, replace the word "fair" with "appropriate".</p> | <p>This does not say they are all independent.</p> <p>This is normal IAIS terminology.</p> |
| General Insurance Association of Japan | Japan | No | <p>(Annex A) As for "Senior Management and Key Persons in Control Functions" in the fifth bullet point, documenting the suitability and effectiveness of all these posts is not always common, given changes in business environments. We suggest deleting this part. (Annex C) As for the last bullet point "identifying of any conflicts of interest arising from intra-group relationships or relationships with external entities", addressing "any conflicts of interest" is inefficient and impractical. The scope should be limited to those of materiality, and the management of such conflicts should be in accordance with jurisdictional laws and regulations.</p> | <p>Suitability for these positions is part of ICP 5.</p> <p>Unnecessary "any"s removed.</p> |
| Association of British Insurers | United Kingdom | No | <p>The Annex should make clear that, where supervisors already have the relevant information available, there should not be a requirement imposed on the insurer to repackage or resubmit this information for the purposes of the examples contained in the Annex.</p> | <p>This is guidance to help illustrate topic-specific things the supervisor may look at as part of supervisory review; these are not requirements.</p> |
| ACLI | US | No | <p>Section A.: In the 1st bullet, minutes of the Board and its committees should only be reviewed by the group-wide supervisor. In the 2nd bullet, certain communications provided by the auditors to the Board and/or the Audit Committee, such as workpapers, may be privileged and/or confidential. In the 3rd bullet, the term "external auditor" should be clarified, and if the external auditor is hired by the insurer, then certain information obtained by the external auditor may be privileged and/or confidential. In the 5th bullet, add "(noting that not all Board members are independent of the insurer, e.g., CEO)" after "evaluating the independence of the Board Members". Section E.: In the heading, delete the word "fair" since it is subjective. In the 1st bullet, replace the word "fair" with "appropriate".</p> | <p>See response to GFIA comment.</p> |