



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Compiled Comments on *Consultation on ICP Introduction and Assessment Methodology* from Members and Stakeholders with resolutions

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
1 - Q1 General Comment on A) Introduction				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	<p>The Association of Bermuda Insurers and Reinsurers (ABIR) appreciates the opportunity to provide comments.</p> <p>Whilst we understand the IAIS approach to include the requirements as they relate to ComFrame; we are concerned that this further diminishes the 'separation' of the framework applied. For example, regarding group wide-supervision (paragraph 16) both acknowledges and permits both a direct and indirect approach and/or different combinations given that legal entities within a group cross varies geographical and regulatory boundaries and as such various legal frameworks which makes sense. However, paragraph 24 applicable to IAIGs in ComFrame state "whereas the ICPs are neutral as to direct or indirect approaches to group-wide supervision, ComFrame requires a direct approach for certain powers as indicated by the relevant ComFrame Standards". This approach contradicts the acknowledgment in paragraph 16 that it is "recognised that the implementation of the Principle Statements and Standards relevant to group-wide supervision may vary across jurisdictions depending on the supervisory powers and structure within a jurisdiction". While certain provisions of the consultation documents recognize the limits of regulatory authority, others do not as this example demonstrates.</p> <p>With respect to the assessment methodology, we support the approach in paragraph 26 that recognises that the domestic context be considered and that ICPs will be implemented in various ways and that there is no "mandated" method of implementation. ABIR recommends that the IAIS emphasize that the assessment should be evaluating outcomes, i.e. achieving the ICPs through the lens of outcomes given that implementation will vary.</p> <p>Finally, it is not clear with respect to overarching concepts specifically related to ComFrame how 'proportionality' and 'risk based supervision' will be applied? Can we assume that the overarching concepts applicable to ICPs will be applied to ComFrame? This is not clear.</p>	<p>Paragraph 24 will be revised to better reflect IAIS expectations on approaches to group-wide supervision within ComFrame.</p> <p>Noted. Paragraphs 34 and 35 address assessment of outcomes.</p> <p>Yes they apply; see para 21.</p>

European Insurance and Occupational Pensions Authority (EIOPA)	EIOPA	No	<p>EIOPA welcomes this opportunity to provide comments.</p> <p>EIOPA ticked NO in questions with references 19,28 and 60 however we intended to leave a blank response.</p>	Noted.
Insurance Europe	Europe	No	<p>Insurance Europe welcomes the opportunity to comment on the proposed revisions of the ICPs and related ComFrame provisions. It is generally supportive of the initiative to progress work on ComFrame and agrees that the horizontal integration of ComFrame into the ICP framework is a sensible approach.</p> <p>While the revisions and alignments made by the IAIS improve the readability and precision of the consulted sections overall, there are a few provisions that would deserve reconsideration by the IAIS ahead of finalisation - Insurance Europe identifies such provisions in its detailed comments on the individual ICPs. Furthermore, a summary of the key points per ICP will be included in the General Comments section.</p> <p>On the introduction:</p> <ul style="list-style-type: none"> - Insurance Europe strongly supports proportionality as an overarching principle for all ICPs and ComFrame standards. - Furthermore, Insurance Europe believes that confidentiality should find reflection in the introduction as it is crucial that high standards are applied in relation to all provisions set by the ICPs and ComFrame standards. - Insurance Europe would appreciate it if the IAIS could clarify which powers within the ComFrame Standards require a direct supervisory approach. 	<p>Noted.</p> <p>While confidentiality is relevant to many issues covered by the ICPs, it is not an overarching concept in the sense that it needs to be understood and kept in mind when reading and implementing the ICPs. ICP 2.7 addresses the obligation of the supervisor to protect confidential information and ICP 3 addresses information sharing and confidentiality requirements. The ICPs operate collectively, thus the requirements set out in ICPs 2 and 3 are relevant to the other ICPs.</p> <p>This issue is subject to ongoing work; the ComFrame Intro will be updated accordingly.</p>
Global Federation of Insurance Associations	Global	No	<p>The GFIA appreciates the opportunity to comment on the IAIS' current consultation that integrates ComFrame material into the relevant ICPs. We appreciate the significant effort undertaken by the IAIS to streamline the ComFrame material and to make them more consistent with the ICPs. The disconnect between ComFrame and the ICPs was a major industry concern and we are pleased that the IAIS has found a practical way of addressing that concern.</p> <p>However, another concern we expressed earlier is that the ICPs and ComFrame should</p>	

		<p>be flexible enough to be adapted into the existing legal framework of local jurisdictions; this concern has yet to be addressed.</p> <p>We continue to have concerns about the current direction of the ICPs and ComFrame. Our review of the materials and the comments that follow arise from several broad issues, which we summarize here:</p> <p>1. Flexibility of Principles and Guidance -</p> <p>As noted above, and as expressed in response to earlier ComFrame consultations, there is a strong industry concern that ComFrame is overly prescriptive and, if implemented, may add another regulatory layer to already existing jurisdictional rules. It is therefore key that the development of ComFrame is informed by insurance regulatory frameworks around the world.</p> <p>Additionally, we are concerned that the merging of the ICPs with ComFrame guidance will result in more rigid regulatory and supervisory requirements and standards for IAIGs, and that rigid approach will be reflected in IMF FSAPs.</p> <p>2. Application of Overarching Concepts of Proportionality and Risk-Based Supervision -</p> <p>Proportionality and risk-based supervision are "overarching concepts" that underlie the ICPs, and therefore ComFrame should strive to provide guidance that allows regulation and supervision to be applied in a manner commensurate with the business operations, mix and profile of the IAIG, and not in a "one-size-fits-all" manner. Related to this point, the suggestion to conduct a "peer review" (in ICP 9) ignores the fact that IAIGs are unique, with different business compositions, and operating in different jurisdictions; therefore, a blanket requirement to conduct a peer review is inappropriate.</p> <p>In addition, some measures in the consultation package may have been proposed originally for institutions that could be systemically significant or critical if they fail. It should be noted that any approach applying these measures to IAIGs should appropriately reflect proportionality and the nature of the business.</p> <p>3. Recognition of Legal and Jurisdictional Boundaries -</p> <p>While certain provisions of the consultation documents recognize the limits of regulatory</p>	<p>Noted.</p> <p>Unclear how this necessarily results in more rigid requirements. Assessment of ComFrame is the subject of future IAIS discussions.</p> <p>This is guidance, not a requirement.</p>
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AIA Group	Hong Kong	No	<p>We appreciate the opportunity to comment on the public consultation ("CP") to revise certain insurance core principles ("ICPs") in order to integrate the Common Framework for the Supervision of Internationally Active Insurance Groups ("ComFrame") into the</p>	<p>Noted.</p>

			<p>ICPs. As a process, we suggest that it is important to have as an overall principle that no new requirements or standards be imposed by the integration pursuant to the proposals under the CP.</p> <p>In addition, language used in the CP should not imply a requirement that supervisors must take certain steps in respect of their supervision of internationally active insurance groups ("IAIGs") rather that the ICPs form a globally accepted framework for the supervision of the insurance sector and that the implementation of the ICPs and standards relevant to group-wide supervision may vary across jurisdictions depending on the supervisory powers and structure within a jurisdiction. Also, when implementing ICPs and standards in a jurisdiction, it is important to take into account the domestic context, industry structure and developmental stage of the financial system and overall macroeconomic conditions.</p> <p>It is our view that each IAIG is different. Variations arise for instance due to the nature of business that each IAIG conducts and the place where such business is conducted. Supervisors should have a discretion to regulate IAIGs as the circumstances require and no one solution may fit all IAIGs otherwise unintended consequences may ensue. It is also important that supervisors recognise that work performed by them will be impacted by the legal and regulatory frameworks of the jurisdictions where the insurance group operates, which may vary considerably. As such, work conducted by supervisors should not go beyond the authority of any supervisor or exceed the legal framework that exists in a particular jurisdiction.</p>	
Dai-ichi Life Holdings, Inc.	Japan	No	Implementation and application of ComFrame should be on the basis of proportionality as well as ICP, and it should be clearly stated in the introduction.	The ComFrame Introduction will be revised to be clearer about proportionality in a ComFrame context.
The Life Insurance Association of Japan	Japan	No	<p>LIAJ believes ComFrame should strive to provide, in the same manner as ICPs, clear recognition of the application of proportionality in its implementation and application. Paragraph 9 (with regard to the ICPs) states that supervisors are allowed to translate ICPs into a jurisdiction's supervisory framework in a manner appropriate to its legal structure, market conditions, and so on. It also states to increase or decrease the intensity of supervision according to the risks inherent to insurers, and the risks posed by insurers to the financial system as a whole.</p> <p>We believe the proportionality principle should apply to ComFrame in the same manner as provided in paragraph 9. Thus we believe a new paragraph, which defines the</p>	These concepts apply to ComFrame as well; see para 21.

			application of proportionality to ComFrame, should be added for example after paragraph 20 regarding the structure of ComFrame.	
Bank Negara Malaysia	Malaysia	No	No comments	
Canadian Institute of Actuaries	Ontario	No	<p>The Canadian Institute of Actuaries (CIA) is the national, bilingual organization and voice of the actuarial profession in Canada. Its 5,000+ members are dedicated to providing actuarial services and advice of the highest quality. The Institute puts the public interest ahead of the needs of the profession and those of its members.</p> <p>The CIA also establishes guidance to support standards developed by the independent Actuarial Standards Board, which are applicable to actuaries working in Canada.</p> <p>Overall, we support the changes and additions to the ICPs proposed by the IAIS and the corresponding ComFrame elements. We do not indicate our support in every case throughout this feedback form. Instead, we provide feedback only on a relatively small number of questions where we feel some additional clarity would benefit the document readers.</p> <p>The Canadian Institute of Actuaries hopes that its comments provided herein will be of value to you.</p>	Noted.
Swiss Financial Market Supervisory Authority FINMA	Switzerland	No	<p>FINMA would like to make a comment on the treatment of the financial stability objective in all ICPs and ComFrame texts:</p> <p>Reading through the ICPs and the ComFrame text included, the objective of financial stability seems to be treated differently. In some ICPs, it could be understood that the financial stability objective has priority over the policyholder protection objective. FINMA is of the opinion that the objective in the ICPs should stick to the one in the IAIS by-laws where it states 'contribute to financial stability', and as also reflected in ICP introduction, paragraph 2, or maybe mention it as an additional objective aside of policyholder protection as in consultation draft ICP 12.2.1.</p>	How financial stability is discussed often depends on the context. Will review so that similar discussions use consistent terminology. Additionally, supervisory objectives are addressed in ICP 1.
Swiss Re	Switzerland	No	<p>Kindly note this is a joint submission by Swiss Re and Zurich Insurance Group.</p> <p>Whilst the simplification and shortening of the Introduction is welcomed, there are some instances where the editing process appears to have removed points from being explicitly stated which we feel are important. These instances are marked in question 19</p>	Noted.

			below. We would welcome reasons for deletion of this text, where these concepts appear explicitly elsewhere in the ICPs and, if they do not, consideration for reinsertion of the text.	
Zurich Insurance Company Ltd.	Switzerland	No	<p>Kindly note this is a joint submission by Swiss Re and Zurich Insurance Group.</p> <p>Whilst the simplification and shortening of the Introduction is welcomed, there are some instances where the editing process appears to have removed points from being explicitly stated which we feel are important. These instances are marked in question 19 below. We would welcome reasons for deletion of this text, where these concepts appear explicitly elsewhere in the ICPs and, if they do not, consideration for reinsertion of the text.</p>	Noted.
National Association of Mutual Insurance Companies	United States	No	<p>The National Association of Mutual Insurance Companies (NAMIC) welcomes the opportunity to comment on the consultation on the ICPs and ComFrame (hereinafter "Consultation Document").</p> <p>NAMIC is the largest property/casualty insurance trade association in the United States, with more than 1,400 member companies representing 39 percent of the total U.S. property/casualty market. NAMIC supports regional and local mutual insurance companies on main streets across the country and many of the country's largest national and international insurers. A portion of these insurers may be designated Internationally Active Insurance Groups. NAMIC member companies serve more than 170 million policyholders and write more than \$230 billion in annual premiums. Our members account for 54 percent of the homeowners, 43 percent of automobile, and 32 percent of the business insurance markets in the United States.</p> <p>Through NAMIC advocacy programs we promote public policy solutions that benefit NAMIC member companies and the policyholders they serve. NAMIC also fosters greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies. Our members have a keen interest in IAIS efforts to protect those policyholders in the most cost-effective and efficient manner possible, recognizing that added costs to the system result in higher costs to the policyholders.</p> <p>NAMIC's membership recognizes the value of quality insurance regulation. Regulation that protects policyholders and that doesn't interrupt the stability the insurance industry provides to the global economy in times of natural and man-made catastrophes as well as economic crisis is essential. We recognize that standard-setters are challenged to derive a means to accomplish these goals in varying global insurance markets, economies, political structures and legal constructs. It is for this very reason that all</p>	Noted.

		<p>global standards should remain at a high level and recognize differences between different jurisdictions. Rejecting varying approaches producing the same outcome will simply increase costs to both the regulatory process as well as the insurance firms. Such inefficiencies negatively impact taxpayers and customers - the very constituency we all strive to serve. In addition to being inefficient, an overly prescriptive system demanding of identical regulations could well result in procyclicality. The beauty of the regulatory diversity currently in place around the world is that it protects against procyclical investment practices that could result in another crisis.</p> <p>In several sections of the Consultation Document we recognize the effort of the IAIS to accomplish this goal. NAMIC is appreciative of the effort to capture the outcomes-based approach to international standard-setting. We will provide comment where added regulatory flexibility would be an improvement over the current draft.</p> <p>NAMIC does not propose that all systems operate in the identical manner or that there is only one way to achieve an outcomes-based system, but we do suggest that the ICPs be written with the flexibility required for variations in approach to supervision at both the group and the legal entity level. Quality insurance regulation should always, first and foremost, protect the policyholders/customers that purchase insurance products. Good regulation should also include regulatory tools to monitor, analyze, assess and support solvency of the firms within its expertise and jurisdiction to regulate. However, solvency should not be preserved by regulation at all costs. Firms with poor execution, poor management, poor market conduct, poor reputations should be allowed to fail. When such firms fail the industry and regulators should create standards that meet our primary objective - protection of policyholders. Consequently, we support policyholder protection systems designed to minimize the impact of insolvency of companies on policyholders. To accomplish all of this, in the U.S. we have strong licensing requirements to assure qualified market entrants. Once entering the market, firms have on-going regulatory oversight including:</p> <ul style="list-style-type: none"> - Annual Financial Reporting. These reports must be filed annually and updated quarterly; they are based on GAAP principles, conservatively implemented, and audited externally. - Financial Analysis. With these filed reports and quarterly updates regulators conduct on-going, day-to-day financial analysis of all domestic insurers. - Periodic Financial Examinations. Every 3 to 5 years insurers must submit to a financial examination of all elements of its business. Any conditions or practices deviating from recommendations of the examination report must be changed or eliminated. Fines or sanctions may also apply. - Property-Casualty Rate Filing Requirements. P/C insurers must also file for review, and 	
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		<p>often approval, of any changes to their insurance rates to assure rates are not unfair, excessive or unfairly discriminatory.</p> <ul style="list-style-type: none"> - Market Conduct. If there are too many complaints about an insurer's market practices or if there is any other reason for a supervisory review, supervisors initiate market conduct examinations to assess all compliance with all underwriting, claims, and pricing practices for each line of insurance. These examinations will also result in required changes to practices and fines or sanctions may also apply. - ORSA/Enterprise Risk Reports, Corporate Governance etc. Annually firms must file reports and discuss with regulators their enterprise risk management, corporate governance and risk-based capital ratios. Poor ratios and/or poor risk management can result in supervisory and rating agency actions. - Admitted Capital Limitations. Regulators also restrict the investments that can be used to meet capital requirements to conservative instruments allowing only a small percentage of investments in less-conservative categories. - Triggers for Intervention. Regulators have several tools to identify risks earlier in the process and enable authorities to take early regulatory action. These include risk-focused group and insurer profiles, findings of hazardous financial condition, trend test evaluations, and four RBC action levels. The actions that can be required at any of these levels are several - from action plans, to leadership changes, to additional capital, to enhanced capital supervision. - Run-off, Rehabilitation, Liquidation and Guaranty Fund. If after all efforts the firm continues to decline, there are processes to determine if there is an opportunity for rehabilitation or if the option is voluntary or involuntary run-off/liquidation. If the firm goes down, the policyholders are protected for unpaid claims they incurred through the guaranty fund mechanism that is fully funded by the solvent insurers in each market. This connects solvent companies and regulators to the same solvency goals. <p>Overall this strategy is designed to identify risks quickly and help insurers get back on the right track. It addresses both insurer solvency and policyholder protection. It strives for the efficient use of regulatory resources by engaging with companies when needed and not unnecessarily, and it works. It maintains a level playing field for companies. It focuses on regulating the companies, not taking over management functions. It keeps both the company and the regulatory "eye" on the needs of the customer and a solvent industry. We comment on this Consultation to provide our support to a similarly cohesive international system of principles that will provide all jurisdictions the opportunity to create a system that works for them, to advance regulatory diversity to minimize risks of procyclicality and, along the way, working together to find ways to improve on each other's regulatory processes.</p>	
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			<p>Consistent with our view of quality insurance regulation that is effective, efficient, and appropriate in meeting the goals of policyholder protection and solvency oversight, we suggest revisions addressing the following major themes can be used to improve the Consultation Document:</p> <ul style="list-style-type: none"> - Continue the Efforts to Enhance Flexibility - Outcomes-Based Approach to Standards; - Minimize Regulatory Burden and Duplication - Maximize Value with Cost-Benefit Analysis; - Maintain Policyholder Protection as the Primary Goal of International Insurance Standards; - Apply Standards Proportionally Based on Company Complexity, Interconnectedness and Ability to Transmit Risk into Systemic Channels; - Tailor Standards for Property/Casualty as well as Life Insurance - Recognize Extra-Jurisdictional Limits on Scope of Supervisory Authority; - Don't Assume or Support Requirements for All Regulatory Systems to be the Same. <p>NAMIC does not address all questions or all sections of the various ICPs. Our focus is on ICPs 10 and 12, but we do generally support the comments made by the Global Federation of Insurance Associations (GFIA), the comments of the National Association of Insurance Commissioners (NAIC) and the comments of the National Conference of Insurance Guaranty Funds (NCIGF) as they are all generally consistent with these principles.</p>	
Institute of International Finance and the Geneva Association	United States/Switzerland	No	<p>The Institute of International Finance (IIF) and the Geneva Association (GA) welcome the opportunity to provide comments on the consultation package dated March 3, 2017 (Consultation Package) on the Revised Insurance Core Principles (ICPs) and ComFrame material integrated with ICPs. The IIF and GA are strongly committed to continuing our constructive dialogue and cooperation with the IAIS. We appreciate the extensive work the IAIS has put into this Consultation Package. Our response provides both high-level general comments and specific answers to the questions.</p> <p>As a fundamental policy framework, the principles embodied in the ICPs can serve as a basis for rules and regulations that assist in protecting policyholders, maintaining fair, safe and stable insurance markets, and contribute to the well-being of the wider economy. To achieve these objectives, proportionate, transparent and well-coordinated implementation of the framework is paramount.</p>	

		<p>Overall, we welcome the effort to improve the language of the ICPs and the integration of ComFrame. Given the extensive scope and sequential nature of the exercise, we expect there will be, and look forward to participating in, continuing opportunities to comment on the integration of ComFrame into the ICPs. In addition, because issues arising in one ICP or ComFrame section are likely to impact and/or apply equally to other ICP/ComFrame sections, we trust the IAIS will remain open to our revisiting issues as these interlinkages become apparent as we move forward. We discuss this in more detail in Key Themes below. Lastly, in order to encourage maximum contribution in the most effective and efficient way for the IAIS and participants, we suggest that future consultation opportunities on amendments to existing language clearly indicate where changes have been proposed.</p> <p>Key themes arising from GA/IIF review of the current Consultation Package follow:</p> <p>Proportionate application and implementation of the ICPs and ComFrame is crucial. We support the integration of ComFrame into the ICPs. The elimination of duplicative language and simplified layers of standards and guidance has improved the clarity of the document. As the ICPs and ComFrame serve different objectives with different scopes of application, proportionality is a key element, and a main theme in our response. The Introduction to the ICPs and Assessment Methodology should clarify that proportionality unequivocally applies to ComFrame. Equally the Introduction and Assessment Methodology should better explain the concept of proportionality and establish that the principle is not only a guideline for the scope and degree of application of measures, but also permission not to apply a measure where a supervisor deems it unnecessary.</p> <p>Similarly, we note language in the Introduction and Assessment Methodology establishing that: (...) [proportionate application] should not go beyond what is necessary in order to achieve their purpose (paragraph 9.). While implicit in the concept of proportionality, we suggest that wherever ICP or ComFrame guidance recommends assessment, review and reporting by or to group-wide supervisors, that reference be made to existing best practices and standards established by industry groups or globally recognized control structures. Such references will help to establish reasonable expectations for supervisors and insurers and avoid excessive and unduly burdensome application of measures.</p> <p>Consistency within and across ICPs and ComFrame</p>	<p>Proportionality allows the supervisor to apply a standard in a manner appropriate to the circumstance; this does not mean the supervisor can ignore a standard altogether.</p>
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		<p>a tone that signifies "requirement" as opposed to "guidance." We suggest a modification of tone to ensure it is clear that the ICPs and ComFrame must accommodate different practices in some 200 jurisdictions to which they may apply. Prescriptive language should be avoided, and jurisdictional specificities should be recognized.</p> <p>In this context, we note the intention for the group-wide supervisor to have authority over the Head of the IAIG and would suggest that where the Head of the IAIG is a non-regulated holding company, the group-wide supervisor may not have direct authority. ComFrame should accommodate this difference.</p> <p>Consistent treatment of corporate governance should be adopted We believe that it is important to recognize the internal structure of governance of the group. For example, local boards should be allowed to take responsibility for local operating entities as it may be required by law. However, in order to improve the alignment and consistency of provisions on group corporate governance, as recommended in the 2016 report on the recognition of the interest of the group by the Informal Company Law Expert Group (ICLEG), it seems important for the IAIS to position the notion of group interest more prominently. Without prejudice to the fiduciary duties local board members owe to local subsidiaries, we propose ICP 7 (and ComFrame sections) recognize the notion of "group interest", acknowledging that directors of subsidiaries should be allowed to reasonably take the parent's interest into account. The notion of group interest should be meaningfully developed in the Application Paper on Group Corporate Governance.</p> <p>Specific issues regarding recovery and resolution Overall, the IIF/GA appreciate the IAIS effort to reflect many of the industry comments submitted during the "request for comments" exercise on ICP 12 and the original ComFrame M3E3. We support the changes in various areas and would like to provide the following additional input on recovery and resolution under the ICPs and ComFrame 10.3 and 12.</p> <p>Recovery As a general comment, we have taken note that the purpose of the revision of the package of ICPs and integration of ComFrame is to improve understanding of the supervisory framework and mechanisms and, generally, improve the consistency of language and terminology across the ICPs. However, inclusion of recovery planning in ICP/ComFrame 10 creates confusion. Specifically, CF 10.3 mixes up two concepts:</p>	<p>Paras 3 and 20 describe the difference between standards and guidance.</p> <p>Noted; these are comments for GWG.</p> <p>Noted; these are comments for ReWG.</p>
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		<ul style="list-style-type: none"> - 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, - 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. <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 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.</p> <p>IAIG recovery planning should be discretionary and subject to the principle of proportionality</p> <p>The value of a recovery plan is its identification, in advance, of 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. The process of developing such a recovery plan is in and of itself a most useful exercise in that it encourages the internal management and management/supervisory conversations as to what tools are available to react to a broad range of potential threats to the financial health of the company. What</p>	
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		<p>levers does management have at its disposal? What structures are in place to support their deployment if and when required?</p> <p>As such, a recovery plan should be a high-level outline of plausible actions the insurer could take in a severe stress situation. Stress events and how risks materialize in a real stress event are inherently unpredictable and therefore it is critical that the insurer retain wide discretion to implement recovery measures it considers most appropriate for a particular situation, which may or may not draw upon the options laid out in the recovery plan. The value of an extensive exercise to identify and plan for all these unpredictable events is questionable and such an exercise would pose an excessive burden on both the insurer and the supervisor.</p> <p>Rather than being a prescribed requirement in ComFrame, the recovery plan as described above, should only be requested on a case-by-case basis at supervisory discretion after consideration of the nature, scale and complexity of the risks associated with the IAIG. The recovery plan should be tailor-made following consultation between the company and the group-wide supervisor, subject to the principle of proportionality.</p> <p>Resolution Leverage FSB's guidance on resolution-related matters for insurers We believe that the IAIS should appropriately leverage what has been developed in the FSB's resolution-related work, which acknowledges the need for institution-specific resolution strategies in insurance, privileging portfolio transfers and run-off instruments for the core business of insurance. The IAIS should endorse the notion of institution-specific resolution strategies in insurance, while referring to the two resolution models ("opco" and "topco") at the extreme ends of the spectrum.</p> <p>In this respect, we would point out that while FSB guidance to date has focused on guidance related to insurers that could be systemically significant or critical if they fail, all insurers can and do fail. Therefore, resolution with properly tailored requirements should cover all insurers, allowing for additional objectives, powers and considerations, subject to supervisory discretion and proportional application. Indeed, we urge against establishing separate statutory resolution regimes for IAIGs versus non-IAIGs and propose instead a common regime that provides a range of options and tools to manage a diversity of circumstances as described above.</p> <p>Furthermore, a supervisor or resolution authority should only be able to utilize extreme</p>	
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		<p>powers (e.g., establish a bridge institution, provide continuity of essential services and functions, or temporarily stay early termination rights associated with derivatives and securities financing transactions) in the extremely unlikely event that more traditional tools would not be sufficient.</p> <p>As regards resolution planning we recommend the following criteria should be included as part of the considerations for an insurance supervisor or resolution authority to determine whether a resolution plan is required or not, and if so, what degree or level of resolution planning is required:</p> <ul style="list-style-type: none"> - the IAIG's type and level of activities as well as the companies' risk mitigation mechanisms in place plus the domestic regulators' existing rules, limitations and restrictions pertaining to these activities; - an analysis of the likelihood of the IAIG's vulnerability to significant financial distress; - an impact assessment of the potential failure of the IAIG; and - the expected benefits and outcomes of the resolution planning requirement. <p>We also strongly recommend that consideration be given to the fact that contrary to many banks, insurers fail slowly, allowing time for consideration of tools such as portfolio transfer and runoff.</p> <p>The starting point for a resolution planning requirement should be a comprehensive understanding of an IAIG's activities, their potential connection to risk transmission channels, all relevant risk mitigants, including extant rules, limitations and internal risk mitigation efforts, as well as costs to the IAIG of the resolution planning.</p> <p>Role and establishment of Crisis Management Groups (CMG) should be elaborated</p> <p>The IAIS should provide guidance on when a CMG is to be formed, whom it is composed of, and what the roles and responsibilities of its members are. The resolution plan should follow the establishment of the CMG and the development of a resolution strategy.</p> <p>The full spectrum of group structures including the two extreme cases of "topco" and "opco" should be recognized:</p> <ul style="list-style-type: none"> - In a "topco" approach, to the extent the group-wide supervisor and/or resolution authority in consultation with the CMG of the IAIG determine a resolution plan is necessary, a single plan covering material legal entities in the IAIG (i.e., the head of the IAIG and its material insurance subsidiaries) should be developed. - In an "opco" approach, we believe that host supervisors and/or resolution authorities, where there is a demonstrable need, may have their own resolution plans for the IAIG's insurance legal entity in their jurisdictions following consultation with the group-wide supervisor and/or resolution authority. These local resolution plans must be established in cooperation and coordination with the group-wide supervisor and/or resolution 	
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			<p>authority to ensure that the plan is as consistent as possible with the resolution plan for the IAIG.</p> <p>Alternative mechanisms and supervisory coordination of Policyholder Protection Schemes (PPS) should be acknowledged ICP 12 refers to policyholder protection schemes (PPS) in several standards and guidelines. We would like to point out that the IAIS (2013) and the OECD (2013) noted in their papers on PPS that other mechanisms, such as tied assets, play a relevant, possibly equivalent role. The existence of such alternative mechanisms should be reflected in ICP 12. We believe that ICP 12 should also capture in its language that, in the case of an IAIG, the leading resolution authority may have to coordinate with more than one PPS across various jurisdictions; i.e. while clearly valuable, PPS introduce an additional layer of complexity regarding cooperation and coordination.</p>	
Liberty Mutual Insurance Group	USA	No	<p>Liberty Mutual supports efforts by supervisors to improve the effectiveness and efficiency of group supervision of IAIGs. Supervisors need to understand how each IAIG conducts its business activities, measures and manages risk, and evaluates its capital needs, among other important factors. The IAIS can best ensure this understanding among supervisors by focusing on how better to coordinate supervision of large insurers. Much can be accomplished by building a framework that fosters collaboration and coordination, focuses on improved processes and outcomes, and affords flexibility in supervising large insurance organizations. It is unnecessary to call for new substantive standards which, by their nature, assume a "one-size fits all" approach in order to achieve effective group-wide supervision.</p> <p>The revised ICPs and the ComFrame text incorporated in them too often fail to adhere to these principles, particularly with respect to the failure of the IAIS to achieve its objective of proportionality and its unrealistic call for insurance supervisors to have "direct authority" over an IAIG's non-insurance entities.</p> <p>Regarding proportionality, Liberty Mutual agrees with the IAIS that proportionality in insurance supervision is critically important. Therefore, we fully support the statement in the Introduction that the ICPs (and the ComFrame text incorporated in them) "are expected to be implemented and applied in a proportionate manner." In addition, we agree with the IAIS's description of proportionality as allowing (i) the ICPs to be implemented in a manner that is appropriate to the legal structure, market condition, and consumers in a jurisdiction and (ii) supervisors to adjust the intensity of supervision</p>	

		<p>according to the risks related to a particular insurer (see "Introduction and Assessment Methodology", Paragraph 9).</p> <p>Unfortunately, the ICPs and, in particular, ComFrame, are replete with provisions establishing standards that cannot be reconciled with this concept of proportionality, because they prescribe inflexible standards that supervisors are mandated to follow and to which insurers and insurance groups must comply. Examples include requirements related to corporate governance, risk management, and recovery planning, to name just a few. The IAIS must re-evaluate the proposed new ICPs and ComFrame text in light of this failure to adhere to the goal of proportionality.</p> <p>In addition, the IAIS's views on the use of the "direct approach" over insurance groups found in many of the new ComFrame provisions do not reflect the fact that in many jurisdictions supervisors do not currently have direct power over non-insurance entities presumed to exist throughout the new ComFrame provisions.</p> <p>In the U.S., insurance regulation is entity-based and targets the operating companies actually underwriting insurance products. It is not focused on the group level and, as a result, the direct authority of U.S. supervisors over the head of a group is very limited, largely restricted to the obligation of non-insurance affiliates to assist in information reporting with respect to group wide issues, such as ERM. Consequently, obtaining power for a group-wide supervisor to impose a broader "direct approach" over the head of an IAIG and its non-insurance subsidiaries would require a radical change in the architecture of U.S. insurance supervisory authority. Furthermore, widespread "direct approach" power would require a reorientation of the balance of existing authority among supervisors of entities within an insurance group, because the "direct approach" would effectively usurp the power of local entity supervisors. We believe these observations apply to other jurisdictions, as well. The IAIS should consider these challenges and costs before proposing standards that require more than incremental changes to the existing legal authority of supervisors.</p> <p>Liberty Mutual supports the provisions in the proposed ICPs and ComFrame text that call for increased supervisory cooperation and coordination (for example, the approach generally taken in ICP 3 and ICP 25), because as indicated above, that is the most effective way to conduct group supervision. That should be the focus of all of the ICPs and ComFrame, and not on new substantive standards that will not materially improve policyholder protection and are not cost effective.</p>	<p>Proportionality is not a static concept nor does it imply that all standards are written at the same level of specificity. Standards are written to reflect their specific subject matter.</p> <p>IAIS expectations on approaches to group-wide supervision within ComFrame and the use of direct powers are subject to ongoing work.</p>
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<p>Property Casualty Insurers Association of America (PCI)</p>	<p>USA</p>	<p>No</p>	<p>The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on the IAIS' consultation drafts of revisions to its Insurance Core Principles (ICPs) and proposed ComFrame guidance related to those ICPs. PCI is the largest property/casualty trade association in the United States, with 1,000 member companies ranging from the largest global insurance and reinsurance groups to the smallest local insurers.</p> <p>PCI is also a member of the Global Federation of Insurance Associations (GFIA), and we endorse the comments GFIA has made regarding the Introduction and Assessment Methodology as well as its comments on all of the other ICP and ComFrame material exposed by the IAIS.</p> <p>We understand the reasoning behind the restructuring of ICP and ComFrame material, but we remain concerned that the scope of the application of ICPs and ComFrame is unclear. Paragraphs 18 and 19 state ComFrame is to apply to all IAIGs. However, Paragraph 20 describes ICPs as applicable to supervision of all insurers, including IAIGs and states that ComFrame builds upon this base. This introduces a measure of confusion as to where ICPs stop and ComFrame sections begin, especially where the ICP and related ComFrame section provide similar guidance. Examples are ICP 12.2.1 and CF 12.2a.1 that provide duplicate guidance given that a resolution regime must necessarily provide for resolution of all insurers. The bottom line is that supervisors could inadvertently conclude that ComFrame guidance should be applied to all insurers as well, and/or that ComFrame guidance should be increased commensurate with ICP guidance. Perhaps the IAIS should add a sentence in the introductory material clarifying the scope of application.</p> <p>While implicit in the concept of proportionality, the concepts of materiality and reference to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. It is also unclear whether the concept of proportionality applies to ComFrame. Without these important reference points, the nature, timing and extent of required review procedures could be significantly misunderstood and/or misinterpreted, putting an exceptional burden on firms and their supervisors.</p> <p>We propose that materiality be made an explicit element of the concept of proportionality and that the IAIS consider either adding an additional "Overarching Concept" paragraph or expanding the concept of proportionality to incorporate globally recognized control</p>	<p>Para 20 is sufficiently clear about the hierarchy and applicability of ICPs and ComFrame.</p> <p>Yes it applies; see para 21.</p> <p>While materiality is relevant to many issues covered by the ICPs, it is not an overarching concept in the sense that it</p>
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			structures or industry standards that could be appropriate guides to how to right-size governance, risk management and internal control measures. One example would be the guidance on internal control and enterprise risk management designed by the United States Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework") and guidelines issued by the Institute of Internal Auditors (IIA).	needs to be understood and kept in mind when reading and implementing the ICPs.
2 - Q2 Comment on paragraph 1				
3 - Q3 Comment on paragraph 2				
Canadian Institute of Actuaries	Ontario	No	We believe the last sentence would be more appropriate if it read "A sound supervisory system would be expected to contribute to the protection of policyholders and to the stability of the financial system, and should address the broad set of risks within, and posed by, the insurance sector."	Disagree. Policyholder protection is an objective of supervision; it is more than "contributing to".
4 - Q4 Comment on paragraph 3				
5 - Q5 Comment on paragraph 4				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUD A	No	Can we assume that the overarching concepts applicable to ICPs will be applied to ComFrame? This is not clear.	Yes, see para 21.
Insurance Europe	Europe	No	Insurance Europe suggests including in the list of "overarching concepts" the need for all ICPs to be read in light of confidentiality. Although ICP 3 addresses information sharing and confidentiality (please refer to Insurance Europe's responses provided to ICP 3 for more detail), the need for confidentiality also exists outside of the sharing of information between supervisors. Furthermore, the references to the need for confidentiality made in some parts of the ICPs give the impression that these are the only situations in which confidentiality needs to be maintained. It should also be made clear that these "overarching concepts" also apply to the various documents sitting under the ICPs such as ComFrame and Application Papers.	See response to Insurance Europe's general comment (Q1). See para 21.
6 - Q6 Comment on paragraph 5				
7 - Q7 Comment on paragraph 6				

8 - Q8 Comment on paragraph 7				
Liberty Mutual Insurance Group	USA	No		
9 - Q9 Comment on paragraph 8				
10 - Q10 Comment on paragraph 9				
Liberty Mutual Insurance Group	USA	No	The IAIS claims the ICPs reflect the concept of proportionality. Too often, however, the proposed ICP and ComFrame text is drafted in a way that mandates supervisory action and, therefore, precludes supervisors from "having the flexibility to tailor their implementation of supervisory requirements" (as this paragraph states). In addition, in instances in which a supervisor is afforded flexibility it is often done without sufficient guidance as to how to exercise that flexibility so as to prevent unreasonable regulatory conditions in a jurisdiction. As a result, the proposed ICPs are often incompatible with, and would not allow for, proportionality.	Proportionality is not a static concept nor does it imply that all standards are written at the same level of specificity. Standards are written to reflect their specific subject matter.
European Insurance and Occupational Pensions Authority (EIOPA)	EIOPA	No	<p>EIOPA believes that this paragraph, and in particular the idea of proportionality would benefit from referring explicitly to risk. In addition, proportionality works two-ways: it justifies simpler and less burdensome ways of meeting requirements for low risk-profile portfolios, but also increases the likelihood that undertakings in fulfilling requirements will need to apply more sophisticated methods and techniques for more complex risk portfolios.</p> <p>A clarification and explicit reference to risk would not create additional complexity but rather avoid misunderstandings (such as that proportionality has solely to do with the size of the insurer). This would not create additional complexity but rather avoid misunderstandings (such as that proportionality has solely to do with the size of the insurer).</p> <p>The second bullet ("Such techniques and practices should not go beyond what is necessary in order to achieve their purpose."), should preferably include wording explaining that proportionality does not mean that a requirement does not apply, but rather that it must be applied in a different manner depending on the nature, scale and complexity of the risk.</p>	<p>Proportionality relates to a number of issues – risk, activities, insurers, market, etc. We purposefully avoided linking proportionality to one topic, such as risk, so that it can apply broadly.</p> <p>The two way nature of proportionality is addressed in the second bullet on application. It states you can increase or decrease but there is no implication that one can simply not apply a requirement altogether.</p>

Insurance Europe	Europe	No	<p>Insurance Europe strongly supports the introduction of the proportionality principle as an overall concept for all ICPs. However, what should further be clarified is that proportionality also applies equally in relation to the ComFrame standards, which per paragraph 21 is understood to be the intention of the IAIS.</p> <p>Furthermore, Insurance Europe would encourage the IAIS to include references to the principle of proportionality in Standards where it would envisage that proportionate implementation and/or application would be particularly relevant. This is even more crucial now that ICPs and ComFrame have been merged and an even larger variety of insurers fall under the scope of the overall ICP framework.</p>	<p>Para 9 is about the ICPs; para 21 is about ComFrame.</p> <p>Revised standards and guidance are intended to reflect what proportionality means in the respective context. We have tried to avoid using “proportionality” as a buzz word when it does not add value as it is an overarching concept.</p>
Swiss Re	Switzerland	No	We would welcome explicit reference to the "nature, scale and complexity" of individual insurers when outlining application of the proportionality principle.	Revised standards and guidance are intended to reflect what proportionality means in the respective context. We have tried to avoid using “nature, scale and complexity” as a buzz word expression when it does not add value as it is an overarching concept.
Zurich Insurance Company Ltd.	Switzerland	No	We would welcome explicit reference to the "nature, scale and complexity" of individual insurers when outlining application of the proportionality principle.	See above.
Property Casualty Insurers Association of America (PCI)	USA	No	We strongly support application of each ICP on a proportional basis. We also believe that the principle of proportionality should apply to all ComFrame guidance and recommend that this be made clear in the Introduction.	It does - see para 21.
11 - Q11 Comment on paragraph 10				
Dirección General de Seguros y Fondos de Pensiones	Spain	No	Some concern about the possible interpretation and practical effects of this concept in the context where we're. It's our understanding that with Independence of possible sources of risk for a particular jurisdiction and its market, the supervisor needs to take care of the full market. The supervisory measures for example should not be only orientated towards those insurers , lines of business or market practices that create a greatest risk.	This is not meant to suggest that areas with a lower risk are not supervised. Wording has been revised to clarify.

Property Casualty Insurers Association of America (PCI)	USA	No	We suggest adding the following sentence to the end of this paragraph: "Risk-based supervision is critical to effective supervision that does not require undue use of supervisory or insurer resources, therefore avoiding imposition of unnecessary costs that must be borne by consumers. Each ICP and all ComFrame guidance should be applied with this concept in mind."	This differs from the point being made in para 10 about risk-based supervision as a concept related to proportionality.
12 - Q12 Comment on paragraph 11				
Insurance Europe	Europe	No	It is assumed that the omission of the link to the IAIS Glossary was purposeful at this stage of the consultation.	Yes, it was placeholder and has now been updated.
MetLife, Inc	United States	No	We acknowledge the reference in Paragraph 11 to the IAIS on-line Glossary, and that work to amend the Glossary may take place at a later time when revisions to ICPs and the integration of ComFrame are further advanced. However, Paragraph 11 only refers to the ICPs, and it would be important to standardize terminology throughout the ICPs and ComFrame, and to ensure that there is Glossary definition for each term used. At present, there is inconsistent use of terms, and definitions are lacking or appear in different sections, or different parts of sections, making definitions difficult to access. An example is apparent interchangeable use throughout the ICPs and ComFrame of the terms "relevant supervisor(s)" and "involved supervisor(s)". While the context leads us to assume these are one and the same, only the term "involved supervisors" is defined in the current IAIS Glossary." In addition, unlike other Sections, ICP/ComFrame Section 12 (Resolution) has its own definition section.	Part of SMRTF's role and a goal of the current revision process is to have greater consistency across IAIS material. "Involved supervisor" is a defined term in the context of group supervision. Relevant supervisor is not defined – what it is relevant to depends on the context.
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.	The IAIG criteria is in material that was not part of this consultation but will be part of ComFrame.
Property Casualty Insurers Association of America (PCI)	USA	No	We note that there is an intention to add a link to the IAIS Glossary. We would strongly recommend that the IAIS standardize use of terminology throughout the ICPs and ComFrame related guidance and ensure that each term is defined in the Glossary. At present for example, terms such as "relevant supervisors" and "involved supervisors" are used interchangeably, and while we assume they are one and the same, only the term "involved supervisor" appears in the Glossary. See also our comment to ICP 3.1.2.	See response above to MetLife's comment.
13 - Q13 Comment on paragraph 12				

Property Casualty Insurers Association of America (PCI)	USA	No	See our comment on paragraph 11.	Noted.
14 - Q14 Comment on paragraph 13				
15 - Q15 Comment on paragraph 14				
16 - Q16 Comment on paragraph 15				
Liberty Mutual Insurance Group	USA	No	Paragraph 15 implies that the "direct approach" and "indirect approach" to group wide supervision exist in roughly equal amounts in the hands of insurance supervisors. That implication is incorrect. In the U.S., supervisors have very little power to implement a "direct approach" with respect to non-insurance entities in a group. The IAIS should take this fact into greater consideration than it has in the various new standards contained in these ICPs and the ComFrame text included in them. Proposals to expand supervisory power over non-insurance entities should be much more incremental than the requirement that supervisors have direct authority over the head of an IAIG, as suggested throughout the proposed ICPs and ComFrame.	Para 15 does not suggest that direct and indirect approaches are used equally.
17 - Q17 Comment on paragraph 16				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	Whilst we understand the IAIS approach to include the requirements as they relate to ComFrame; we are concerned that this further diminishes the 'separation' of the framework applied. For example, regarding group wide-supervision (paragraph 16) both acknowledges and permits both a direct and indirect approach and/or different combinations given that legal entities within a group cross varies geographical and regulatory boundaries and as such various legal frameworks which makes sense. However, paragraph 24 applicable to IAIGs in ComFrame state "whereas the ICPs are neutral as to direct or indirect approaches to group-wide supervision, ComFrame requires a direct approach for certain powers as indicated by the relevant ComFrame Standards". This approach contradicts the acknowledgment in paragraph 16 that it is "recognised that the implementation of the Principle Statements and Standards relevant to group-wide supervision may vary across jurisdictions depending on the supervisory powers and structure within a jurisdiction". While certain provisions of the consultation documents recognize the limits of regulatory authority, others do not as this example demonstrates.	Paragraph 24 will be revised to better reflect IAIS expectations on approaches to group-wide supervision within ComFrame.

			Additionally, it is not clear what group-wide supervisory powers for ComFrame requires 'direct' powers and which do not.	
Dirección General de Seguros y Fondos de Pensiones	Spain	No	In its first bullet. In the direct supervision the measure can be directly applied on one particular entity. But in the case of regulated entities it's the corresponding supervisor who should apply the measure. Following the previous some adaptation in the wording of the proposed text should be necessary.	This text provides a general distinction between direct and indirect approaches group-wide supervision. Additional detail is explained in ICP 23.
National Association of Mutual Insurance Companies	United States	No	<p>This paragraph discusses the "direct" and "indirect" approach to group-wide supervision. The assumption is made that the supervisors in some jurisdictions have more authority over the non-insurance, non-domestic parents at the head of insurance groups or entities within the corporate structure of insurance groups than the authority in other jurisdictions. The language in this introduction provides an outcomes-based overview of such difference of authority. But throughout the ICPs this flexibility is not actually reflected. More attention should be paid to consistency throughout the ICPs to this issue.</p> <p>Further in the discussion of the "direct" and "indirect" approach to group-wide supervision the assumption is made that the supervisors in some jurisdictions have more authority over the non-insurance, non-domestic parents at the head of insurance groups or entities within the corporate structure of insurance groups than the authority in other jurisdictions. Supervisory authority outside of the actual jurisdictional reach of any supervisor may be stated in a law, but such laws affecting entities with no actual contacts and no connection with that jurisdiction are not enforceable in other countries around the globe. Consequently, any effort to favour a supervisor with alleged "direct authority" over the head of an insurance group should be eliminated from the ICPs as unenforceable.</p>	<p>Noted.</p> <p>Noted. The IAIS recognizes limits to authority and respect for jurisdictional authority. Specific examples of where this does not seem to be the case would be helpful.</p>
Property Casualty Insurers Association of America (PCI)	USA	No	If the Head of the IAIG is not a registered insurance company, under U.S. state law, a direct approach for certain powers may not be available to the group wide supervisor. Similarly, it may be difficult for the insurance supervisor to apply supervisory measures directly on an unregulated entity.	Para 16 makes it clear that both direct and indirect approaches are fine as long as the outcome is similar.
18 - Q18 Comment on paragraph 17				
European Insurance and Occupational	EIOPA	No	The first sentence of this paragraph could be interpreted that the outcome of group supervision must be the same as that of the direct supervision of the insurance legal entities.	Agreed; confirmed revised wording with IGWG.

Pensions Authority (EIOPA)			<p>We would appreciate if the sentence could be reworded so that its meaning becomes clearer (and to avoid bias in favour of/against one or another approach):</p> <p>- Regardless of the approach, the supervisor must be able to ensure effective group-wide supervision, including that all relevant group-wide risks impacting the insurance entities are addressed appropriately.</p>	
Insurance Europe	Europe	No	<p>Insurance Europe would propose the following redraft of the first sentence of paragraph 17:</p> <p>"Regardless of the approach, the supervisor must be able to demonstrate that in effect, the outcome is similar and supports a comparable supervision of IAIGs within ComFrame."</p>	This is for the ICPs, not ComFrame.
Global Federation of Insurance Associations	Global	No	<p>GFIA suggests a re-wording of the first sentence of this paragraph: "Regardless of the approach, the supervisor must be able to demonstrate that in effect, the outcome is similar and supports a comparable supervision of IAIGs within ComFrame."</p>	This is for the ICPs, not ComFrame.
AIA Group	Hong Kong	No	<p>The criteria for being an Internationally Active Insurance Group should be clearly defined. As well, it should be clear that supervisors have discretion as to whether or not an insurance group is an IAIG and assessment should be conducted under a transparent process with consultation and the availability for insurance groups to make submissions.</p>	This is for the ICPs, not ComFrame.
19 - Q19 Is there anything missing in "A) Introduction to the ICPs"? If so, please specify.				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUD A	No	No	
European Insurance and Occupational Pensions Authority (EIOPA)	EIOPA	No	No	
Insurance Europe	Europe	No	Yes	Noted.

			Please refer to the answers to the previous questions.	
Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries)	Germany	No	No	
Global Federation of Insurance Associations	Global	No	Yes Please refer to the answers to the previous questions.	Noted.
AIA Group	Hong Kong	No	Yes Please see our response to question 1.	Noted.
Dai-ichi Life Holdings, Inc.	Japan	No	No	
Bank Negara Malaysia	Malaysia	No	No	
Dirección General de Seguros y Fondos de Pensiones	Spain	No	No	
Swiss Financial Market Supervisory Authority FINMA	Switzerland	No	No	
Swiss Re	Switzerland	No	Yes It is noticeable that relevant language is proposed for removal (paragraphs 11 and 12 in the Nov. 2015 Introduction) as part of the 2017 revision. The language emphasized the importance of transparent and accountable operations by the supervisor and correctly identified this as vital to a legitimate and credible supervisory and regulatory regime. It also called for meaningful public consultation on the development of supervisory policies.	Transparency and accountability and consultation on supervisory requirements are addressed in ICP 2; these concepts seemed out of place in the Introduction.

			<p>We would be grateful if IAIS could elaborate on the motivation for the deletions. Where these important concepts are explicitly stated elsewhere in the ICPs, we would appreciate if IAIS could point this out. From an initial search of the revised ICPs, we were unable to find this language elsewhere. If the language has not been relocated, we feel it should be considered for reinstatement in the Introduction.</p> <p>For reference, the paragraphs referred to from the Nov. 2015 Introduction are copied below:</p> <p>11. The supervisor must operate in a transparent and accountable manner. It needs legal authority to perform its tasks. It should be noted, however, that the possession of legal authority is not sufficient to demonstrate observance with an ICP: the supervisor should also demonstrate that it is able to exercise its legal authority in practice. Similarly, it is not sufficient for the supervisor to set supervisory requirements; it should also ensure that these requirements are implemented. Having the necessary resources and capacity is essential for the supervisor to effectively exercise its legal authority and implement supervisory requirements.</p> <p>12. The supervisor must recognise that transparency and accountability in all its functions contribute to its legitimacy and credibility. A critical element of transparency is for the supervisor to provide the opportunity for meaningful public consultation on the development of supervisory policies, and in the establishment of new and amended rules and regulations. To further ensure the proper functioning of the insurance sector and promote transparency and accountability, the supervisor should establish clear timelines for public consultation and action, where appropriate.</p>	
Zurich Insurance Company Ltd.	Switzerland	No	<p>Yes It is noticeable that relevant language is proposed for removal (paragraphs 11 and 12 in the Nov. 2015 Introduction) as part of the 2017 revision. The language emphasized the importance of transparent and accountable operations by the supervisor and correctly identified this as vital to a legitimate and credible supervisory and regulatory regime. It also called for meaningful public consultation on the development of supervisory policies.</p> <p>We would be grateful if IAIS could elaborate on the motivation for the deletions. Where these important concepts are explicitly stated elsewhere in the ICPs, we would appreciate if IAIS could point this out. From an initial search of the revised ICPs, we were unable to find this language elsewhere. If the language has not been relocated, we</p>	See above.

			<p>feel it should be considered for reinstatement in the Introduction.</p> <p>For reference, the paragraphs referred to from the Nov. 2015 Introduction are copied below:</p> <p>11. The supervisor must operate in a transparent and accountable manner. It needs legal authority to perform its tasks. It should be noted, however, that the possession of legal authority is not sufficient to demonstrate observance with an ICP: the supervisor should also demonstrate that it is able to exercise its legal authority in practice. Similarly, it is not sufficient for the supervisor to set supervisory requirements; it should also ensure that these requirements are implemented. Having the necessary resources and capacity is essential for the supervisor to effectively exercise its legal authority and implement supervisory requirements.</p> <p>12. The supervisor must recognise that transparency and accountability in all its functions contribute to its legitimacy and credibility. A critical element of transparency is for the supervisor to provide the opportunity for meaningful public consultation on the development of supervisory policies, and in the establishment of new and amended rules and regulations. To further ensure the proper functioning of the insurance sector and promote transparency and accountability, the supervisor should establish clear timelines for public consultation and action, where appropriate.</p>	
MetLife, Inc	United States	No	<p>Yes</p> <p>We would suggest adding two more topics to ICP Overarching Concepts.</p> <p>Confidentiality Given the need to and value of exchanging information as the basis for supervisory cooperation and appropriate oversight of both non-IAIG and IAIG groups, we suggest that a paragraph on the responsibility of supervisors who receive and transmit data and other sensitive company information be added to Overarching Concepts to emphasize the critical importance of appropriate and adequate protection. This paragraph could incorporate by reference the provisions of ICP 3, Information Sharing and Confidentiality Requirements. We would further recommend that each ICP/ComFrame section covering exchange of information incorporate by reference the terms of ICP 3.</p> <p>Proportionality, Materiality, Control Structures and Industry Standards</p>	<p>While confidentiality is relevant to many issues covered by ComFrame, it is not an overarching concept in the sense that it needs to be understood and kept in mind when reading and implementing ComFrame. ICPs 2 and 3 confidentiality and as the ICPs are the foundation for ComFrame, are applicable with respect to ComFrame; constant cross referencing is not necessary.</p>

			<p>Proportionality Paragraph 9 of the ICP Introduction discusses the concept of proportionality and its application to ICPs. We would suggest this discussion include supervisory discretion to decline to apply a measure. In addition, as suggested in response to Q. 28 below, the concept of proportionality should extend to all ComFrame provisions.</p> <p>Materiality, Control Structures and Industry Standards While implicit in the concept of proportionality set out in Paragraph 9 of the ICP Introduction, references to the concept of materiality and to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. Without these important reference points, the nature, timing and extent of required review procedures could be significantly misunderstood and/or misinterpreted, putting an exceptional burden on firms and their supervisors.</p> <p>We would propose that materiality be made an explicit element of the concept of proportionality and that the IAIS consider either adding an additional “Overarching Concept” paragraph or expanding the concept of proportionality to incorporate globally recognized control structures or industry standards that could be appropriate guides to how to right-size governance, risk management and internal control measures.</p> <p>One example would be guidance on internal control, enterprise risk management designed by the United States Committee of Sponsoring Organizations of the Treadway Commission (“COSO Framework”) and guidelines issues by the Institute of Internal Auditors (IIA).</p> <p>Please also see our response to Q.28 below that recommends extending these two additional Overarching Concepts to ComFrame provisions.</p>	<p>Disagree; see response to IIF/GFIA general comment (Q1). It does apply to ComFrame, see para 21.</p> <p>While materiality is relevant to many issues covered by ComFrame, it is not an overarching concept in the sense that it needs to be understood and kept in mind when reading and implementing ComFrame.</p>
National Association of Mutual Insurance Companies	United States	No	<p>Yes Missing issues are addressed in the submitted comments.</p>	Noted.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	<p>Yes It is noticeable that relevant language is proposed for removal (paragraphs 11 and 12 in the Nov. 2015 Introduction) as part of the 2017 revision. The language emphasised the importance of transparent and accountable operations by the supervisor, as well as meaningful public consultation on the development of supervisory policies.</p>	Transparency and accountability and consultation on supervisory requirements are addressed in ICP 2; these concepts seemed out of place in the Introduction.

			<p>We would be grateful to understand the motivation for the deletions, and where these important concepts are explicitly stated elsewhere in the ICPs. From an initial search of the revised ICPs, we were unable to find this language elsewhere. If it has not been relocated, we feel it should be considered for reinstatement in the Introduction.</p> <p>For reference, the paragraph referred to from the Nov. 2015 Introduction is copied below :</p> <p>11. The supervisor must operate in a transparent and accountable manner. It needs legal authority to perform its tasks. It should be noted, however, that the possession of legal authority is not sufficient to demonstrate observance with an ICP: the supervisor should also demonstrate that it is able to exercise its legal authority in practice. Similarly, it is not sufficient for the supervisor to set supervisory requirements; it should also ensure that these requirements are implemented. Having the necessary resources and capacity is essential for the supervisor to effectively exercise its legal authority and implement supervisory requirements.</p> <p>12. The supervisor must recognise that transparency and accountability in all its functions contribute to its legitimacy and credibility. A critical element of transparency is for the supervisor to provide the opportunity for meaningful public consultation on the development of supervisory policies, and in the establishment of new and amended rules and regulations. To further ensure the proper functioning of the insurance sector and promote transparency and accountability, the supervisor should establish clear timelines for public consultation and action, where appropriate.</p>	
ACLI	US	No	<p>Yes</p> <p>We are not clear on whether IAIS intends to revise either the definition of an "internationally active insurance group" or the application of the CF elements. We would appreciate a clarification on both points.</p>	The IAIG criteria is in material that was not part of this consultation but will be part of ComFrame.
American Insurance Association	USA	No	No	
Liberty Mutual Insurance Group	USA	No	<p>Yes</p> <p>See comments above regarding failure to address proportionality and misunderstood views regarding direct authority.</p>	Noted.

Property Casualty Insurers Association of America (PCI)	USA	No	No	
National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	No	
21 - Q21 Comment on paragraph 18				
22 - Q22 Comment on paragraph 19				
Insurance Europe	Europe	No	Where paragraph 19 says: "Providing a basis for comparing IAIG supervision across jurisdictions", Insurance Europe would encourage this to be understood as working towards "a common language for IAIG supervision". It should be clearly stated that this does not mean working toward a rigid or one-size-fits-all supervisory framework.	Revised to address this point.
AIA Group	Hong Kong	No	We suggest that it be clarified that in some instances it may be possible to have sub-groups within the concept of group supervision.	This issue is addressed in ICP 23.
23 - Q23 Comment on paragraph 20				
Canadian Institute of Actuaries	Ontario	No	Throughout the consultation, the IAIS requests that we assess the benefits of fulfilling the requirements included in the ComFrame standards. From a Canadian perspective, the Canadian supervisor (OSFI - the Office of the Superintendent of Financial Institutions) already supervises insurance groups, and applies (most of) the proposed ComFrame standards. We therefore don't see these standards adding anything material to current practices as they affect IAIGs based in Canada. We do see value in applying these standards, and especially in applying them more uniformly across jurisdictions to ensure a level playing field and common supervision of IAIGs globally. Our ratings of the ComFrame standards reflect our view of the inherent value of the proposed standards, rather than the incremental value provided in jurisdictions like Canada.	Noted.

National Association of Mutual Insurance Companies	United States	No	The scope of ComFrame has been a constant question since the beginning of the ComFrame project. We would welcome a clarification of when and how the IAIS intends to introduce ComFrame's scope, and particularly, additional IAIG identification criteria.	The IAIG criteria is in material that was not part of this consultation but will be part of ComFrame.
24 - Q24 Comment on paragraph 21				
Bank Negara Malaysia	Malaysia	No	It may be useful to indicate where the additional ComFrame overarching concepts mentioned in the paragraph will be set out.	The paragraphs that follow under this subheading are the overarching concepts. This is the same format as in the ICP Introduction.
25 - Q25 Comment on paragraph 22				
26 - Q26 Comment on paragraph 23				
Insurance Europe	Europe	No	Insurance Europe welcomes the explicit recognition that IAIGs have different models of governance, and the intention of ComFrame to focus on the objectives of governance.	Noted.
27 - Q27 Comment on paragraph 24				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	Whilst we understand the IAIS approach to include the requirements as they relate to ComFrame; we are concerned that this further diminishes the 'separation' of the framework applied. For example, regarding group wide-supervision (paragraph 16) both acknowledges and permits both a direct and indirect approach and/or different combinations given that legal entities within a group cross varies geographical and regulatory boundaries and as such various legal frameworks which makes sense. However, paragraph 24 applicable to IAIGs in ComFrame state "whereas the ICPs are neutral as to direct or indirect approaches to group-wide supervision, ComFrame requires a direct approach for certain powers as indicated by the relevant ComFrame Standards". This approach contradicts the acknowledgment in paragraph 16 that it is "recognised that the implementation of the Principle Statements and Standards relevant to group-wide supervision may vary across jurisdictions depending on the supervisory powers and structure within a jurisdiction". While certain provisions of the consultation documents recognize the limits of regulatory authority, others do not as this example demonstrates.	ComFrame is another level of the IAIS supervisory material which focuses on IAIGs. Paragraph 24 will be revised to better reflect IAIS expectations on approaches to group-wide supervision within ComFrame.

Insurance Europe	Europe	No	<p>This paragraph states that there are "indirect" and "direct" approaches to group-wide supervision across jurisdictions, and in some cases a combination of both approaches.</p> <p>While the IAIS indicates that ICPs are to be neutral to either approach, IAIS then indicates that "ComFrame requires a direct approach for certain powers as indicated by relevant ComFrame standards." It is not clear throughout the ComFrame text which "certain" powers require a direct approach.</p>	See above.
Global Federation of Insurance Associations	Global	No	<p>Additional clarification is needed. This paragraph states that there are "indirect" and "direct" approaches to group-wide supervision across jurisdictions, and in some cases a combination of both approaches. While the IAIS indicates that ICPs are to be neutral to either approach, IAIS then indicates that "ComFrame requires a direct approach for certain powers as indicated by relevant ComFrame standards." It is not clear throughout the ComFrame text which "certain" powers require a direct approach. It is also unclear what is contemplated with respect to "indirect powers".</p>	See above.
Swiss Financial Market Supervisory Authority FINMA	Switzerland	No	<p>FINMA suggests rephrasing as follows: Whereas the ICPs are neutral as to direct or indirect approaches to group-wide supervision, ComFrame "considers" a direct approach for certain powers as indicated by the relevant ComFrame Standards.</p> <p>FINMA thinks that this proposal reflects better the wording of the relevant ComFrame standards, e.g. CF 25.1a.1.</p>	See above.
Liberty Mutual Insurance Group	USA	No	<p>This paragraph states "ComFrame requires a direct approach for certain powers ..."</p> <p>This proposal that a group wide supervisor should have direct authority over the head of an IAIG and the expansive scope of the proposed ComFrame provisions that would implement it are very different from law in many countries. The IAIS must consider more carefully the inherent challenges and costs for jurisdictions related to adopting standards like this.</p>	See above.
National Association of Mutual Insurance Companies	United States	No	<p>This paragraph discusses the "direct" and "indirect" approach to group-wide supervision. The assumption is made that the supervisors in some jurisdictions have more authority over the non-insurance, non-domestic parents at the head of insurance groups or entities within the corporate structure of insurance groups than the authority in other jurisdictions. Supervisory authority outside of the actual jurisdictional reach of any supervisor may be stated in a law, but such laws affecting entities with no actual contacts and no connection with that jurisdiction are not enforceable in other countries around the globe. Consequently, any effort to favor a supervisor with alleged "direct</p>	See above.

			authority" over the head of an insurance group should be eliminated from the ICPs as unenforceable.	
American Insurance Association	USA	No	<p>Paragraph 24 indicates there are "direct" and "indirect" approaches to group-wide supervision, but does not provide more clarification. It is not clear which "certain" powers require a direct approach. It is also unclear what is contemplated with respect to "indirect powers."</p> <p>To be helpful guidance, supervisors need to understand what these terms mean, since these concepts may not be relevant in every jurisdiction.</p> <p>AIA is concerned with the statement that "ComFrame requires a direct approach for certain powers as indicated by relevant ComFrame standards." As addressed in our overriding concerns, ComFrame guidance should be drafted to respect the local regulatory environment, which will undoubtedly impose limitations on the authority of the group-wide supervisor and thus limit "direct" action.</p>	See above.
Property Casualty Insurers Association of America (PCI)	USA	No	See our comment on paragraph 16.	See above.
National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	As the IAIS continues work on ComFrame, more clarity may be needed in the ComFrame Introduction on the concepts of direct/indirect approaches and what it may mean to take a direct approach for certain powers in a ComFrame context.	See above.
29 - Q29 General Comment on B) Assessment Methodology				
Bank Negara Malaysia	Malaysia	No	No comments	Noted.
Swiss Re	Switzerland	No	Whilst the simplification and shortening of the Assessment Methodology is welcomed, there are some instances where relevant points appear to be proposed for removal as part of the 2017 revision. These instances are marked in answers to questions 31 and 38 below. We would welcome motivations for deletion. Where these concepts appear explicitly elsewhere in the ICPs, we would appreciate if the IAIS could point this out, and, if they do not, consider reinserting the text.	Noted; see responses below.

Zurich Insurance Company Ltd.	Switzerland	No	Whilst the simplification and shortening of the Assessment Methodology is welcomed, there are some instances where relevant points appear to be proposed for removal as part of the 2017 revision. These instances are marked in answers to questions 31 and 38 below. We would welcome motivations for deletion. Where these concepts appear explicitly elsewhere in the ICPs, we would appreciate if the IAIS could point this out, and, if they do not, consider reinserting the text.	See above.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	Whilst the simplification and shortening of the Assessment Methodology is welcomed, there are some instances where relevant points appear to be proposed for removal as part of the 2017 revision. These instances are marked in answers to questions 31 and 38 below. We would welcome motivations for deletion, where these concepts appear explicitly elsewhere in the ICPs and, if they do not, consideration for reinsertion of the text.	See above.
30 - Q30 Comment on paragraph 25				
31 - Q31 Comment on paragraph 26				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	With respect to the assessment methodology, we support the approach in paragraph 26 that recognises that the domestic context be considered and that ICPs will be implemented in various ways and that there is no "mandated" method of implementation. ABIR recommends that the IAIS emphasize that the assessment should be evaluating outcomes, i.e. achieving the ICPs through the lens of outcomes given that as stated implementation will vary.	Noted. Paragraphs 34 and 35 address assessment of outcomes.
Swiss Re	Switzerland	No	<p>There is a noticeable proposed removal of language stating the importance, for sake of credibility, that supervisors conduct assessments in a broadly uniform manner from jurisdiction to jurisdiction (paragraph 12 in the Nov. 2015 Assessment Methodology). We feel this is an important point to convey.</p> <p>From an initial search of the revised ICPs, we could not find this point explicitly stated elsewhere and would be grateful if the IAIS could point out to us where this text can now be found. If it cannot, we feel it should be considered for reinstatement into the Assessment methodology.</p> <p>For reference, the paragraph referred to from the Nov. 2015 Assessment Methodology is copied below:</p> <p>The framework described by the ICPs is general. Supervisors have flexibility in</p>	Paragraph 28 revised to address this point.

			<p>determining the specific methods for implementation which are tailored to their domestic context (e.g. legal and market structure). The standards set requirements that are fundamental to the implementation of each ICP. They also facilitate assessments that are comprehensive, precise and consistent. While the results of the assessments may not always be made public, it is still important for their credibility that they are conducted in a broadly uniform manner from jurisdiction to jurisdiction.</p>	
Zurich Insurance Company Ltd.	Switzerland	No	<p>There is a noticeable proposed removal of language stating the importance, for sake of credibility, that supervisors conduct assessments in a broadly uniform manner from jurisdiction to jurisdiction (paragraph 12 in the Nov. 2015 Assessment Methodology). We feel this is an important point to convey.</p> <p>From an initial search of the revised ICPs, we could not find this point explicitly stated elsewhere and would be grateful if the IAIS could point out to us where this text can now be found. If it cannot, we feel it should be considered for reinstatement into the Assessment methodology.</p> <p>For reference, the paragraph referred to from the Nov. 2015 Assessment Methodology is copied below:</p> <p>The framework described by the ICPs is general. Supervisors have flexibility in determining the specific methods for implementation which are tailored to their domestic context (e.g. legal and market structure). The standards set requirements that are fundamental to the implementation of each ICP. They also facilitate assessments that are comprehensive, precise and consistent. While the results of the assessments may not always be made public, it is still important for their credibility that they are conducted in a broadly uniform manner from jurisdiction to jurisdiction.</p>	See above.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	<p>There is a noticeable proposed removal of language stating that supervisors conducting assessments in a broadly uniform manner from jurisdiction to jurisdiction is important for credibility (paragraph 12 in the Nov. 2015 Assessment Methodology). We feel this is an important point to convey.</p> <p>From an initial search of the revised ICPs, we could not find this point explicitly stated elsewhere and would be grateful to know if this can be found. If it cannot, we feel it should be considered for reinstatement into the Assessment methodology.</p> <p>For reference, the paragraph referred to from the the Nov. 2015 Assessment Methodology is copied below :</p>	See above.

			The framework described by the ICPs is general. Supervisors have flexibility in determining the specific methods for implementation which are tailored to their domestic context (e.g. legal and market structure). The standards set requirements that are fundamental to the implementation of each ICP. They also facilitate assessments that are comprehensive, precise and consistent. While the results of the assessments may not always be made public, it is still important for their credibility that they are conducted in a broadly uniform manner from jurisdiction to jurisdiction.	
32 - Q32 Comment on paragraph 27				
33 - Q33 Comment on paragraph 28				
Canadian Institute of Actuaries	Ontario	No	Combined with the opening sentence of paragraph 27, the last bullet of this paragraph may be presumptuous, in that it appears to instruct the IMF and the World Bank on how they should conduct their assessment of insurance supervision frameworks.	Para 27 provides example of types of assessments that may be performed and by whom. The purpose of the Assessment Methodology is to provide the IAIS's expectations on how its ICPs should be used for assessment purposes.
34 - Q34 Comment on paragraph 29				
35 - Q35 Comment on paragraph 30				
36 - Q36 Comment on paragraph 31				
37 - Q37 Comment on paragraph 32				
38 - Q38 Comment on paragraph 33				
Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries)	Germany	No	The DAV is supportive of the view that actuaries should be consulted when performing compatibility assessments.	Noted.
Swiss Re	Switzerland	No	It is noticeable that the "prior consent of the local authorities is required" regarding access to information is proposed for removal (paragraph 17 in the Nov. 2015 Assessment Methodology, under Conduct of Independent Assessments - access to	Revised to address this point.

			<p>information). Equivalent language does not appear to have been added into e.g. ICPs 3 or 25. Does this indicate a change in process? We would welcome clarification on the motivation for this edit and possible consideration of reinstatement into the text.</p> <p>For reference, the paragraph referred to from the Nov. 2017 Assessment Methodology is copied below:</p> <p>When conducting an independent assessment, prior consent from the relevant local authorities is required so that assessors can have access to a range of information and people. The required information may include not only published information such as the legislation and administrative policies but also non-published information, such as self-assessments, operational guidelines for insurance supervisors and the like. The information should be provided as long as it does not violate confidentiality requirements. This information should be provided and analysed in advance to the extent possible, in order to ensure that subsequent on-site visits are efficient.</p>	
Zurich Insurance Company Ltd.	Switzerland	No	<p>It is noticeable that the "prior consent of the local authorities is required" regarding access to information is proposed for removal (paragraph 17 in the Nov. 2015 Assessment Methodology, under Conduct of Independent Assessments - access to information). Equivalent language does not appear to have been added into e.g. ICPs 3 or 25. Does this indicate a change in process? We would welcome clarification on the motivation for this edit and possible consideration of reinstatement into the text.</p> <p>For reference, the paragraph referred to from the Nov. 2017 Assessment Methodology is copied below:</p> <p>When conducting an independent assessment, prior consent from the relevant local authorities is required so that assessors can have access to a range of information and people. The required information may include not only published information such as the legislation and administrative policies but also non-published information, such as self-assessments, operational guidelines for insurance supervisors and the like. The information should be provided as long as it does not violate confidentiality requirements. This information should be provided and analyzed in advance to the extent possible, in order to ensure that subsequent on-site visits are efficient [...]</p>	See above.
Institute of International Finance and the	United States/Switzerland	No	<p>It is noticeable that the "prior consent of the local authorities is required" regarding access to information is proposed for removal (paragraph 17 in the Nov. 2015 Assessment Methodology, under Conduct of Independent Assessments - access to</p>	See above.

Geneva Association			<p>information). Equivalent language does not appear to have been added into e.g. ICPs 3 or 25. Does this indicate a change in process? We would welcome clarification on the motivation for this edit and possible consideration of reinstatement into the text. For reference, the paragraph referred to from the Nov. 2017 Assessment Methodology is copied below :</p> <p>When conducting an independent assessment, prior consent from the relevant local authorities is required so that assessors can have access to a range of information and people. The required information may include not only published information such as the legislation and administrative policies but also non-published information, such as self-assessments, operational guidelines for insurance supervisors and the like. The information should be provided as long as it does not violate confidentiality requirements. This information should be provided and analysed in advance to the extent possible, in order to ensure that subsequent on-site visits are efficient and derive.</p>	
39 - Q39 Comment on paragraph 34				
National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	While the first sentence makes it clear that assessment should be based "solely on legislation and other supervisory requirements and practices that are in place at the time," the rest of the paragraph seems to focus more on legislation and its role and says little more about other supervisory requirements and practices. Suggest adding more about how these other things can demonstrate observance.	"Other supervisory requirements" was vague and thus deleted. The text of the paragraph focuses on the need for and interaction between legislation and supervisory practice.
40 - Q40 Comment on paragraph 35				
Dirección General de Seguros y Fondos de Pensiones	Spain	No	In its second sentence it seems that the reference should be made to ".....of implementation and application". Two different concepts and situations.	For purposes of the Assessment Methodology, "implementation" is broadly used and encompasses application.
41 - Q41 Comment on paragraph 36				
42 - Q42 Comment on paragraph 37				
National Association of Insurance	USA, NAIC	No	As this round of revisions is intended in part to make the ICPs more outcomes focused, the description of what qualifies as "observed" seems overly focused on having the authority to do something, rather than actually doing it, as well as whether there is legislation. Suggest revising what is "observed" to: "Observed - to be considered	Revised to address this point.

Commissioners (NAIC)			observed it is necessary that the supervisor demonstrate how it has the legal authority and/or supervisory practices to effectively perform the requirements of the Standard. Having legislation without supervisory practices to implement a Standard is insufficient to be considered observed, except for those Standards that are specifically focused on legislation itself and what it contains. For supervisory practices which may lack explicit legal authority, the assessment may be considered as observed if the practice is clearly substantiated by the supervisor and is generally accepted by stakeholders. Having the necessary resources is essential for the supervisor to implement Standards effectively."	
43 - Q43 Comment on paragraph 38				
44 - Q44 Comment on paragraph 39				
45 - Q45 Comment on paragraph 40				
46 - Q46 Comment on paragraph 41				
47 - Q47 Comment on paragraph 42				
48 - Q48 Comment on paragraph 43				
49 - Q49 Comment on paragraph 44				
50 - Q50 Comment on paragraph 45				
Canadian Institute of Actuaries	Ontario	No	We suggest rephrasing the opening two sentences to read something like "Macroeconomic policies can profoundly affect the financial system. The assessment of macroeconomic policy is not within the mandate of supervisors, but supervisors will need to react if they perceive that existing policies are undermining the safety and soundness of the financial system."	This seems sufficiently clear as written.
Swiss Re	Switzerland	No	In a similar vein to paragraph 45, the "digitalization" of the financial system should be recognized and a suitable reference be made to the importance of an effective cyber governance, encompassing critical digital infrastructure(s), as a foundation of a stable present and future financial system.	This suggestion is too specific to be included given what this paragraph addresses.
Zurich Insurance Company Ltd.	Switzerland	No	In a similar vein to paragraph 45, the "digitalization" of the financial system should be recognized and a suitable reference be made to the importance of an effective cyber	See above.

			governance, encompassing critical digital infrastructure(s), as a foundation of a stable present and future financial system.	
Institute of International Finance and the Geneva Association	United States/Switzerland	No	In a similar vein to paragraph 45, the "digitalization" of the financial system should be recognized and a suitable reference be made to the importance of an effective cyber governance, encompassing critical digital infrastructure(s), as a foundation of a stable present and future financial system.	See above.
51 - Q51 Comment on paragraph 46				
Insurance Europe	Europe	No	<p>This paragraph states that a review "... should include a review of the relevant government financial sector policies, including whether there is a clear and published framework assigning responsibility to different bodies involved in financial stability and supervisory work."</p> <p>Insurance Europe would suggest that intended outcome and objective of such a review remains unclear.</p>	This seems sufficiently clear as written.
52 - Q52 Comment on paragraph 47				
Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries)	Germany	No	The DAV remains committed to strive for the availability of skilled, competent, independent and experienced actuaries, the development of transparent technical and ethical standards and related enforcement procedures in particular in Germany but also international in cooperation with international associations of the actuarial professions.	Noted.
53 - Q53 Comment on paragraph 48				
54 - Q54 Comment on paragraph 49				
55 - Q55 Comment on paragraph 50				
56 - Q56 Comment on paragraph 51				
Swiss Financial Market Supervisory Authority FINMA	Switzerland	No	<p>FINMA suggests adding as a further example the tied assets regime (see also IAIS issues paper on policyholder protection schemes).</p> <p>Such protection mechanisms could include a hierarchy of claims, a policyholder protection scheme, "a tied assets regime" or the use of public funds in the event of insolvency of an insurer and/or a broader sector wide crisis.</p>	The ICPs do not use or discuss tied asset regimes, so it would be odd to introduce this concept in the preconditions.

57 - Q57 Comment on paragraph 52				
Swiss Re	Switzerland	No	We welcome the addition of the phrase "Insurers benefit by having access to domestic and global financial markets". Such access requires openness and collaboration between jurisdictions.	Noted.
Zurich Insurance Company Ltd.	Switzerland	No	We welcome the addition of the phrase "Insurers benefit by having access to domestic and global financial markets". Such access requires openness and collaboration between jurisdictions.	Noted.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	We welcome the addition of the phrase "Insurers benefit by having access to domestic and global financial markets.". Such access requires openness and collaboration between jurisdictions.	Noted.
58 - Q58 Comment on paragraph 53				
59 - Q59 Comment on paragraph 54				
60 - Q60 Is there anything missing in "B) Assessment Methodology"? If so, please specify.				
ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	No	
European Insurance and Occupational Pensions Authority (EIOPA)	EIOPA	No	No	
Insurance Europe	Europe	No	Yes Please refer to the answers to the previous questions.	Noted.
Deutsche Aktuar vereinigung e.V.(DAV) (German Association of Actuaries)	Germany	No	No	
Global Federation of Insurance Associations	Global	No	Yes Please refer to the answers to the previous questions.	Noted.

AIA Group	Hong Kong	No	Yes Please see our response to question 1.	Noted.
Dai-ichi Life Holdings, Inc.	Japan	No	No	
The Life Insurance Association of Japan	Japan	No	No	
Bank Negara Malaysia	Malaysia	No	No	
Canadian Institute of Actuaries	Ontario	No	No	
Dirección General de Seguros y Fondos de Pensiones	Spain	No	No	
Swiss Financial Market Supervisory Authority FINMA	Switzerland	No	No	
Swiss Re	Switzerland	No	Yes Please refer to our responses to Questions 31, 38 and 50.	Noted.
Zurich Insurance Company Ltd.	Switzerland	No	Yes Please refer to our responses to Questions 31, 38 and 50.	Noted.
MetLife, Inc	United States	No	No	
National Association of Mutual Insurance Companies	United States	No	Yes Missing information will be addressed in the appropriate ICPs.	Noted.
Institute of International Finance and the Geneva Association	United States/Switzerland	No	No	

ACLI	US	No	
American Insurance Association	USA	No	
Liberty Mutual Insurance Group	USA	No	
Property Casualty Insurers Association of America (PCI)	USA	No	
National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	