



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Compiled Comments on *Consultation on ICP 2* from Members and Stakeholders with resolutions

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
21 - Q21 General Comment on ICP 2				
89. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the changes proposed to ICP 2.</p> <ul style="list-style-type: none"> • In alignment with the comments provided to the recent IAIS consultation on revised ICP 3, Insurance Europe strongly believes that the information received by authorities, bodies and persons should be covered by the obligation of professional secrecy, as opposed to confidentiality. In fact, in a number of jurisdictions professional secrecy is an absolute principle that has no limitation in time and from which one of the parties cannot be discharged by the other party. • The principle of proportionality should be explicitly reflected in a number of the revised Standards and Guidance. • The supervisor or its staff should not per se be excluded from criminal liability for actions taken in the course of discharging their responsibilities. • The publication of supervisory action taken can have significant detrimental effects and supervisors should have sufficient leeway to refrain from such measures. <p>On the ICP itself, Insurance Europe does not support the IAIS decision to delete the reference to confidentiality in ICP 2 and would ask this be reconsidered and potentially extended to professional secrecy.</p>	<p>Disagree. The obligation of confidentiality is the correct standard that applies to supervisors internationally.</p> <p>The principle of proportionality underpins all the ICPs. This is stated in the Introduction. There is no need to repeat it in every ICP.</p> <p>Noted</p> <p>Noted</p> <p>The supervisor's obligations of confidentiality of non-public insurer information are covered by ICP 2.6. ICP 3 covers regulator to regulator information exchange.</p>
90. Global Federation of Insurance Associations	Global	No	<p>GFIA does not support the IAIS decision to delete the reference to confidentiality in ICP 2 and would ask this be reconsidered.</p>	<p>The supervisor's obligations of confidentiality of non-public insurer information are covered by ICP 2.6. ICP 3 covers regulator to regulator information exchange.</p>
91. AIA Group	Hong Kong	No	<p>AIA appreciates the opportunity to comment on the public consultation on revised ICP 1 (Objectives, Powers and Responsibilities of the</p>	<p>Noted.</p>

			Supervisor) and revised ICP 2 (Supervisor).	
92. International Insurance Foundation	International	No	The concept of professionalism, which featured prominently in the original ICPs, has completely disappeared from this draft. Except for an almost imperceptible mention in Guidance 2.0.3, it cannot be found anywhere in the principle, the standards, or the guidance. Yet the expert knowledge of actuaries, auditors, attorneys, and underwriters plays a critical role in maintaining fair, safe, and stable insurance markets. Unquestionably insurance supervisors must align with the professional bodies that organize and expand that expert knowledge, establish standards of practice, and enforce its consistent application by disciplining their members. Professionals complement and reinforce insurance supervision; supervisors should cooperate fully and encourage staff participation in professional bodies. Silence on this issue signifies standing on the wrong side of the public interest.	This is covered in 2.9 and particularly 2.9.1
93. American Council of Life Insurers	Office of General Counsel	No	ACLI strongly urges that the reference to ICP 3 be retained. Confidentiality of non-public insurer information is a critical, foundational feature of supervisory duties, and it should be recognized as such.	The supervisor's obligations of confidentiality of non-public insurer information are covered by ICP 2.6. ICP 3 covers regulator to regulator information exchange.
94. Zurich Insurance Company Ltd.	Switzerland	No	While we are comfortable with the majority of revised ICP2, we do have some specific points relating to the importance of ensuring cyber security as a means of the supervisor protecting confidential data (statement 2.6). This includes ensuring adequate cyber security in the supervisors' supply chain (statement 2.10). Building on our response to ICP1, we also highlight the issue of initiating or leadership of legislative changes in guidance 2.0.2 and the need to differentiate between priority levels of insurance objectives (policyholder protection and contributing to financial stability) in standard 2.5.	Cyber security is covered by the reference to treatment and handling of confidential information by the entity to which a supervisor outsources its activities. Objectives of insurance supervision are covered in ICP 1.
95. Cincinnati Insurance Company	United States of America	No	Our company does not believe that the world needs a set of Insurance Core Principles (ICPs) and objects to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB).	Noted

			<p>Therefore, we object to ICP 2 and would suggest that these ICPs be eliminated rather than revised.</p> <p>Instead, we would urge the IAIS, FSB and IMF to work toward a system of global regulatory balance instead of global regulatory convergence. We envision a world-wide system of regulatory interaction which takes a "Google translate" approach to understanding each other's regulatory regimes by employing international coordination and cooperation instead of preemption or prescription of jurisdictional regimes. Our emphasis on global regulatory balance instead of global regulatory convergence compliments our desire to preserve state insurance regulation and seek its acceptance at home and abroad as an equivalent form of regulation on par with the regulatory schemes of other countries.</p>	
96. Property Casualty Insurers Association of America (PCI)	USA	No	PCI endorses the comments of the Global Federation of Insurance Associations, of which PCI is a member.	Noted
22 - Q22 Comment on Guidance 2.0.1				
97. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
23 - Q23 Comment on Guidance 2.0.2				
98. Insurance Europe	Europe	No	Insurance Europe generally appreciates and supports the additional Guidance added on operational independence, accountability, and transparency.	Noted
99. Global Federation of Insurance Associations	Global	No	GFIA generally appreciates and supports the additional guidance added on operational independence, accountability, and transparency.	Noted
100. Zurich Insurance Company Ltd.	Switzerland	No	See our comments to ICP1.4 relating to the initiation or leadership of legislative changes.	See response on 1.4.
101. ICMIF	UK	No	ICMIF welcomes the clarification of the concept of operational independence and the notion of accountability, as developed under 2.0.3 and 2.0.5. Operational independence also means establishing a transparent appointment procedure.	Noted

102. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
24 - Q24 Comment on Guidance 2.0.3				
103. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	<p>ABIR notes the absence of the concept of proportionality and would recommend the following be inserted:</p> <p>"The supervisor.....delegated authority in a proportionate, fair and equitable manner... (Proportionality is not mentioned once in ICP 2)</p> <p>Additionally, with respect to the appeals process be expanded to include alternatives since these may be more appropriate given the legal structures of various jurisdictions. We recommend the following: "and that actions...as part of a judicial appeal process or an alternative appeal forum/body."</p>	<p>Proportionality underpins all ICPs. As such, the principle of proportionality has been moved to the Introduction to avoid repetition.</p> <p>Different appeal mechanisms are covered in 2.5.2.</p>
104. Insurance Europe	Europe	No	<p>Insurance Europe suggests making the following amendment to this Guidance to explicitly include the overarching concept of proportionality and to broaden the circumstances in which the actions of the supervisor may be challenged:</p> <p>" [...] Accountability means that the supervisor operates within the bounds of its delegated authority, in a proportionate, fair and equitable manner that is open to scrutiny and review by the government and the public, and that the actions of the supervisor may be challenged as part of a judicial appeal process or by an alternative appeal forum/body. Strong internal governance processes, sufficient and skilled human resources and maintenance of high standards of integrity and professionalism underpin the accountability of the supervisor."</p>	<p>Proportionality underpins all ICPs. As such, the principle of proportionality has been moved to the Introduction to avoid repetition.</p>
105. Zurich Insurance Company Ltd.	Switzerland	No	<p>In the spirit of leading by example, we suggest the following change in language: replacing "Strong" with "Exemplary" to begin the last sentence.</p>	<p>Disagree, current wording is deemed appropriate.</p>
106. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
107. National Association	USA, NAIC	No	Suggest re-working the first sentence to better emphasize public	No change. Accountability to all stakeholders, including

of Insurance Commissioners (NAIC)			<p>accountability: The supervisor should be accountable for the actions it takes in the exercise of its supervisory responsibilities to the public at large, those it supervises, and those legislative and governmental bodies that delegated various responsibilities to the supervisor.</p>	government and the public, is equally important.
25 - Q25 Comment on Guidance 2.0.4				
108. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
26 - Q26 Comment on Guidance 2.0.5				
109. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
27 - Q27 Comment on Guidance 2.0.6				
110. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
28 - Q28 Comment on Standard 2.1				
111. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
29 - Q29 Comment on Guidance 2.1.1				
112. Insurance Europe	Europe	No	<p>While Insurance Europe agrees with the principle of operational independence, it recommends amending the guidance as follows to better reflect the need for proportionality in the exercise of supervisory objectives:</p> <p>“Operational independence of the supervisor includes having the discretion to allocate its resources, including financial and human resources, and to carry out the supervisory process proportionally, taking account of cost benefit analysis, in accordance with its objectives and the risks the supervisor perceives. Having this discretion, which underpins operational independence, should be reflected in primary legislation.”</p>	<p>Proportionality underpins all ICPs. As such, the principle of proportionality has been moved to the Introduction to avoid repetition.</p> <p>Cost-benefit analysis is not part of the concept of independence.</p>

113. Global Federation of Insurance Associations	Global	No	<p>GFIA agrees with the principle of operational independence, however recommends amending the guidance as follows to better reflect the need for proportionality in the exercise of supervisory objectives.</p> <p>“Operational independence of the supervisor includes having the discretion to allocate its resources, including financial and human resources, and to carry out the supervisory process proportionality, taking into account cost-benefit analysis, in accordance with its objectives and the risks the supervisor perceives. Having this discretion, which underpins operational independence, should be reflected in primary legislation.”</p>	See response to comment 112.
114. International Insurance Foundation	International	No	<p>Suggested rewrite of last sentence: "This discretion, which underpins operational independence, should be recognized in primary legislation."</p>	See revisions made.
115. Institute of International Finance	United States	No	<p>We agree with the principle of operational independence, however, we recommend amending the guidance as follows to better reflect the need for proportionality in the exercise of supervisory objectives (additional wording in bold).</p> <p>‘Operational independence of the supervisor includes having the discretion to allocate its resources, including financial and human resources, and to carry out the supervisory process PROPORTIONALLY TAKING ACCOUNT OF COST BENEFIT ANALYSIS in accordance with its objectives and the risks the supervisor perceives. Having this discretion, which underpins operational independence, should be reflected in primary legislation.</p>	See response to comment 112.
116. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
30 - Q30 Comment on Guidance 2.1.2				
117. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
118. National Association of Insurance	USA, NAIC	No	Last sentence, suggest “fixed” would be a more appropriate word choice than “stable”.	Fixed is not a correct term here. The supervisor’s budget cannot be fixed, as they change over time to

Commissioners (NAIC)				cover new areas of responsibility, emerging risks, international developments etc.
31 - Q31 Comment on Guidance 2.1.3				
119. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	No	<p>"In exceptional circumstances, the supervisor may chose to consult with the government..."</p> <p>ABIR is not sure why the regulators would set such a limitation on themselves by passing a threshold of exceptional circumstances and major socio-economic implications; it would seem that the more appropriate test would be "when appropriate, the supervisor may chose..."</p>	Consultation with the central government on every issue erodes operational independence. Revisions made to clarify.
120. Insurance Europe	Europe	No	<p>Insurance Europe agrees that the supervisor and government relationship should be clearly defined in legislation. Legislation should also enable the government to direct the supervisor to take account of public policy objectives in the exercise of its supervisory objectives.</p> <p>Insurance Europe therefore recommends inserting the following sentence to follow the initial sentence in Guidance 2.1.3:</p> <p>'This should include provision for the government to notify the supervisor of public policy objectives which it should have regard to in the exercise of its supervisory objectives'.</p> <p>Furthermore, while Insurance Europe agrees that the daily operations of the supervisor should not be subject to consultation with or approval of the government, it should be noted that the phrasing in this Guidance that supervisors may consult in 'exceptional circumstances' and where there are 'major socio-economic consequences' does not reflect the reality, and that consultation between the government and the supervisor tends to take place more frequently than the wording suggests.</p>	<p>No change. Objectives should be defined in legislation (see ICP 1). It is important to ensure that the process of insurance supervision is objective and not subject to political whims.</p> <p>The exceptional circumstances relate to supervisory decisions. Governments should not be involved in supervisory decisions unless there are exceptional circumstances. Revisions made to clarify.</p>
121. Global Federation of Insurance Associations	Global	No	GFIA agrees that the supervisor and government relationship should be clearly defined in legislation. GFIA also considers that legislation should enable the government to direct the supervisor to take account of public policy objectives in the exercise of its supervisory objectives. It is	See response above.

			<p>therefore recommended that the following sentence is inserted follow the initial sentence in 2.1.3:</p> <p>“This should include provision for the government to notify the supervisor of public policy objectives which it should have regard to in the exercise of its supervisory objectives.”</p>	
122. International Insurance Foundation	International	No	This paragraph blurs two distinct ideas: the institutional framework and the possibility of a dominant perspective, which is also addressed in 2.1.4. Suggest separating the dominant perspective language and inserting it as a new guidance point.	Revisions made.
123. American Council of Life Insurers	Office of General Counsel	No	ACLI recommends adding the fifth sentence be revised to read: “The supervisor may choose to consult with the government on long term goals and priorities and, in exceptional circumstances, where there are major socio-economic implications of a supervisory decision.”	Change not made. This paragraph only lists the issues that should not be consulted on, and not the issues that a supervisor may choose to consult on. That list may be quite long and it is up to each government and supervisor to decide that.
124. ICMIF	UK	No	ICMIF supports the institutional relationships and accountability frameworks between the supervisor and the government being clearly defined in legislation.	Noted
125. Institute of International Finance	United States	No	<p>2.1.3’s explanation of supervisor’s independence from the government may exceed the appropriate balance. In fact, the supervisor may and should often consult with the government when supervisory decisions have major implications and when setting goals and priorities. The 5th sentence of this subpart should therefore be revised as follows: (strike “In exceptional circumstances”), Nevertheless, the supervisor may and often will (strike “choose to”) consult with the government where there are major (strike “socio-economic”) implications of a supervisory decision and when setting longer term goals and priorities.</p> <p>We agree that the supervisor and government relationship should be clearly defined in legislation. We also consider that legislation should enable the government to direct the supervisor to take account of public policy objectives in the exercise of its supervisory objectives. We therefore recommend inserting the following sentence to follow the initial sentence in 2.1.3.</p>	Disagree. Frequent consultation erodes operational independence. Moreover, the objectives of the supervisor should be stated in legislation and not be directed by the political arm.

			'THIS SHOULD INCLUDE PROVISION FOR THE GOVERNMENT TO NOTIFY THE SUPERVISOR OF PUBLIC POLICY OBJECTIVES WHICH IT SHOULD HAVE REGARD TO IN THE EXERCISE OF ITS SUPERVISORY OBJECTIVES'.	
126. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
127. MetLife	USA	No	2.1.3's explanation of supervisor's independence from the government may exceed the appropriate balance. In fact, the supervisor may and should often consult with the government when supervisory decisions have major implications and when setting goals and priorities. The 5th sentence of this subpart should therefore be revised as follows: "Nevertheless, the supervisor may and often will consult with the government where there are major implications of a supervisory decision and when setting longer term goals and priorities".	See response to comment 125.
128. Property Casualty Insurers Association of America (PCI)	USA	No	2.1.3's explanation of supervisor's independence from the government may exceed the appropriate balance. In fact, the supervisor may and should often consult with the government when supervisory decisions have major implications and when setting goals and priorities. The 5th sentence of this subpart should therefore be revised as follows: "In exceptional circumstances, Nevertheless, the supervisor may and often will choose to consult with the government where there are major socio-economic implications of a supervisory decision and when setting longer term goals and priorities."	See response to comment 125.
32 - Q32 Comment on Guidance 2.1.4				
129. Insurance Europe	Europe	No	Insurance Europe generally agrees with the importance of structural independence between the supervisor and supervised entities. However, the second half of 2.1.4. seems to be overly prescriptive in listing potential risks that an overly close relationship could bring. It is not clear what value is added by the list of risks. Insurance Europe would hence propose the following deletions: "In addition to independence from the government, the supervisor should be independent from the entities it supervises. In cases where there are industry representatives on the governing body of the	There is no harm in keeping these sentences. This is not prescriptive, it is guidance.

			<p>supervisor, the composition of the governing body should be sufficiently diverse to prevent industry representatives from controlling the supervisor. The supervisor should not have an excessively close relationship with supervised entities. The supervisor’s policies, for example, post-employment, anti-corruption and accountability in decision-making, should seek to avoid such close relationship.”</p>	
130. Global Federation of Insurance Associations	Global	No	<p>GFIA generally agrees with the importance of structural independence between the supervisor and supervised entities. However, the second half of 2.1.4. seems to be overly prescriptive in listing potential risks that an overly close relationship could bring. It is not clear what value is added by the list of risks. GFIA would hence propose the following amendments:</p> <p>“In addition to independence from the government, the supervisor should be independent from the entities it supervises. In cases where there are industry representatives on the governing body of the supervisor, the composition of the governing body should be sufficiently diverse to prevent industry representatives from controlling the supervisor. The supervisor should not have an excessively close relationship with supervised entities. The supervisor’s policies regarding, for example, post-employment, anti-corruption and accountability in decision-making, should seek to avoid such close relationship.”</p>	See response above.
131. International Insurance Foundation	International	No	<p>Suggest moving first two sentences into inserted new point, as indicated above.</p> <p>Suggested rewrite of remainder: "The supervisor should not permit excessively close relationships, or even the appearance thereof, with supervised entities. Such relationships can compromise the ability of the supervisor to enforce the law strictly or to control the behavior of the supervised entities as intended by law. They can also predispose the supervisor to make policies or operational decisions that benefit supervised entities, whether a particular entity or supervised entities as a whole, rather than advance supervisory objectives. The supervisor should have in place policies regarding post-employment opportunities, anti-corruption measures, and decision-making accountability designed to prevent such compromising relationships."</p>	Change partly made. However, suggestion loses the guidance regarding industry members on the governing body of the supervisor.

132. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
33 - Q33 Comment on Guidance 2.1.5				
133. International Insurance Foundation	International	No	<p>Suggested rewrite of second sentence for clarity: "Generally, the staff of the supervisor should not hold any consultancies, directorships or financial interests, expect any future benefit from, or be involved in any capacity in the entities it supervises, other than in a supervisory role or as a customer."</p> <p>Suggest adding explicit reference to a Code of Conduct for supervisory staff.</p>	Agreed. Change made.
134. Institute of International Finance	United States	No	<p>We suggest adding new subsection 2.1.6</p> <p>Without prejudice to the recommendations set out in subsections 2.1.4 and 2.1.5 to preserve supervisory independence from government and industry, legislation and internal policies should recognise the value of supervisory engagement with government representatives and industry. Accordingly, legislation and internal policy should encourage such engagement when the supervisor is setting longer term goals and priorities, and where supervisory staff could benefit from government or industry insights, expertise and/or there are major implications of a change in law, regulation, practice or supervisory decision to the industry. All such engagements should be conducted in a transparent and objective manner that preserve the independence of the supervisor, supervisory staff and members of its governing body.</p>	No change. Engagement with industry and consultation are already covered in the standards on transparency
135. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
136. MetLife	USA	No	<p>We suggest adding a new subsection 2.1.6: "Without prejudice to the recommendations set out in subsections 2.1.4 and 2.1.5 to preserve supervisory independence from government and industry, legislation and internal policies should recognize the value of supervisory engagement with government representatives and industry. Accordingly, legislation and internal policy should encourage such engagement when the supervisor is setting longer term goals and priorities, and where</p>	No change. Engagement with industry and consultation are already covered in the standards under ICP 2 on transparency.

			supervisory staff could benefit from government or industry insights, expertise and/or there are major implications of a change in law, regulation, practice or supervisory decision to the industry. All such engagements should be conducted in a transparent and objective manner that preserves the independence of the supervisor, supervisory staff and members of its governing body.	
137. Property Casualty Insurers Association of America (PCI)	USA	No	We suggest adding new subsection 2.1.6 “Without prejudice to the recommendations set out in subsections 2.1.4 and 2.1.5 to preserve supervisory independence from government and industry, legislation and internal policies should recognize the value of engagement with government representatives and industry. Accordingly, legislation and internal policy should encourage such engagement when the supervisor is setting longer term goals and priorities, and where supervisory staff could benefit from government or industry insights, expertise and/or there are major implications of a change in law, regulation, practice or supervisory decision to the industry. All such engagement should be conducted in a transparent and objective manner that preserves the independence of the supervisor, supervisory staff and members of its governing body”.	No change. Engagement with industry and consultation are already covered in the standards on transparency
34 - Q34 Comment on Standard 2.2				
138. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
139. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Change “legal action” to “personal liability.” Public bodies are sued all the time; the point is that public officials are generally shielded from personal liability for official actions.	Disagree; current wording is maintained as it better accommodates the variety of legal systems worldwide.
35 - Q35 Comment on Guidance 2.2.1				
140. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
36 - Q36 Comment on Guidance 2.2.2				
141. Insurance Europe	Europe	No	Insurance Europe has strong concerns about the Guidance provided in 2.2.2. While a certain level of legal protection of individuals is necessary to ensure operational independence, Insurance Europe strongly	Disagree. If an action was taken illegally or in bad faith, the protections would not apply. However, in certain jurisdictions, it is possible for criminal lawsuits to arise

			disagrees with criminal liability being included in this scope. Furthermore, criminal liability, by definition, requires an element of illegality which is not clear from the last part of the Guidance. Insurance Europe would propose to redraft Guidance 2.2.2, potentially to a wording closer to the former 2.10.1.	even in the absence of illegal action on the part of the supervisor.
142. Global Federation of Insurance Associations	Global	No	GFIA has strong concerns about the guidance provided in 2.2.2. While a certain level of legal protection of individuals is necessary to ensure operational independence, GFIA strongly disagrees with criminal liability being included in this scope. Furthermore, criminal liability by definition requires an element of illegality which is not clear from the last part of the guidance. GFIA would propose to redraft guidance 2.2.2, potentially with wording closer to the former 2.10.1.	See above.
143. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
37 - Q37 Comment on Standard 2.3				
144. Zurich Insurance Company Ltd.	Switzerland	No	In light of ICP2.0.6 we suggest to delete the bracket and its content, i.e. "... (if such a governing body exists)..."	Disagree. Depending on the jurisdiction, there may not be members of a governing body.
145. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
38 - Q38 Comment on Guidance 2.3.1				
146. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
147. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Last sentence, change "should" to "may" as jurisdictions may have these procedures elsewhere.	Disagree. These should be binding and enforceable.
39 - Q39 Comment on Guidance 2.3.2				
148. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted

149. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Last sentence, add “, if applicable” to the end.	Agree.
40 - Q40 Comment on Guidance 2.3.3				
150. International Insurance Foundation	International	No	Relevant qualifications should explicitly include insurance knowledge. Governing body might also pursue balance of diverse perspectives by including consumer representatives and academic experts.	This paragraph does not tell supervisors what qualifications are required only that the qualifications are included in the legislation. Each jurisdiction will decide on what these required skills and qualifications are.
151. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
152. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	For consistency with the standard and other paragraphs of guidance, should say: “Procedures should disclose the general criteria for appointing members of a governing body, including for example, that they possess relevant qualifications...”	Disagree. These should be in legislation so they are transparent, not in procedures.
41 - Q41 Comment on Standard 2.4				
153. Insurance Europe	Europe	No	In general, it is not entirely clear what the IAIS means to be stakeholders that supervisors are accountable to. Insurance Europe would appreciate a clarification of this term used in the context of ICP 2 (as used in, for example, 2.4, and 2.4.3). In addition, Insurance Europe recommends that a further guidance paragraph (Guidance 2.4.5) is added to support the principle of accountability anticipated in Standard 2.4, as follows: “2.4.5 The Supervisor should publish a public annual report of its activities and how its resources have been deployed over the period in order to facilitate public understanding and scrutiny of the supervisor.”	The concept of stakeholders is described in 2.0.3. Nevertheless, examples added to 2.4.3 The publication of an annual report is already covered under 2.7.
154. Global Federation of Insurance Associations	Global	No	As used in the proposed standard, the term “stakeholders” is unclear. If the IAIS intends the term “stakeholders” to be the persons to whom the supervisor is accountable as described in Guidance 2.0.3, then the proposed standard needs to state that fact. As this proposed standard is	Examples of stakeholders added to 2.4.3 The publication of an annual report is already covered under 2.7.

			<p>currently worded, it is not entirely clear to whom the supervisors are accountable. GFIA would appreciate a clarification of this term as used, for example, in 2.4, and 2.4.3.</p> <p>In addition, GFIA would recommend that a further guidance paragraph (2.4.5) is added to support the overriding principle of accountability.</p> <p>“The supervisor should publish a public annual report of its activities and how its resources have been deployed over the period in order to facilitate public understanding and scrutiny of the supervisor.”</p>	
155. Institute of International Finance	United States	No	<p>We would recommend that a further guidance paragraph (2.4.5) is added to support the overriding principle of accountability.</p> <p>2.4.5 THE SUPERVISOR SHOULD PUBLISH A PUBLIC ANNUAL REPORT OF ITS ACTIVITIES AND HOW ITS RESOURCES HAVE BEEN DEPLOYED OVER THE PERIOD IN ORDER TO FACILITATE PUBLIC UNDERSTANDING AND SCRUTINY OF THE SUPERVISOR.</p>	This is already covered under 2.7
156. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
42 - Q42 Comment on Guidance 2.4.1				
157. Zurich Insurance Company Ltd.	Switzerland	No	In line with our comments to ICP2.0.3: In the spirit of leading by example, we suggest to replace “strong” with “exemplary” when qualifying the governance processes of the supervisor.	Disagree, current wording is deemed appropriate.
158. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
43 - Q43 Comment on Guidance 2.4.2				
159. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
44 - Q44 Comment on Guidance 2.4.3				
160. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted

161. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The text as drafted seems to suggest something rather specific, whereas supervisors in some jurisdictions may not need a plan that contains all those elements as their responsibilities are set out by statute. Suggest some additional guidance or clarification on strategic or operational plans would be useful.	Change made to explain what this plan covers and how it differs from the responsibilities codified in the statute.
45 - Q45 Comment on Guidance 2.4.4				
162. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
46 - Q46 Comment on Standard 2.5				
163. Insurance Europe	Europe	No	Standard 2.5 establishes elementary aspects of accountability. Structurally, Insurance Europe would propose to split 2.5 in two separate Standards: "2.5a The supervisor applies requirements and supervisory procedures equitably and consistently. 2.5b There are processes to appeal against supervisory decisions which do not unduly impede the ability of the supervisor to make timely interventions in order to protect policyholders' interests or contribute to financial stability."	Agree. Change made.
164. Global Federation of Insurance Associations	Global	No	It is sufficient for Standard 2.5 to state: "The supervisor applies requirements and supervisory procedures equitably and consistently." The mutual concepts of policyholder protection and financial protection should permeate throughout the ICPs, so it is not necessary to restate them here; therefore, the second sentence should be deleted in its entirety. GFIA supports the proposed Guidance as drafted.	Disagree. Need to have standard on review of supervisory decisions, as this is a core issue of accountability.
165. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA thinks that the principal objective of insurance supervision should aim at policyholder protection. In line with the comment made at Q8, FINMA suggests deleting the last part of the sentence "or contribute to financial stability".	See revisions to ICP 1.2. A timely intervention could arise for either of these reasons which are not mutually exclusive.
166. Zurich Insurance Company Ltd.	Switzerland	No	As per our comment to standard 1.2, while financial stability is a concern, we clearly see this as a secondary objective to policyholder	See above.

			protection in the ICPs. In standard 2.5, we would therefore recommend to differentiate the priorities of these two objectives, by either deleting the reference to financial stability or by amending the text as follows: "the ability of the supervisor to make timely interventions in order to protect policyholders' interests or, TO A LESSER EXTENT, contribute to financial stability.	
167. Institute of International Finance	United States	No	We believe that policy holder protection should always come first. We think that bringing in financial stability is pushing the envelope too far in this context.	See above.
168. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
169. Property Casualty Insurers Association of America (PCI)	USA	No	Policyholder protection should always be the supervisor's primary concern. The language "or contribute to financial stability" should be deleted.	See response to comment 165.
170. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Adding reference to contributing to financial stability is not necessary/appropriate here (see comment on 1.2). Protection of policyholders' interest should be broad enough to encompass the variety of reasons why the supervisor would need to make an intervention.	See response to comment 165.
47 - Q47 Comment on Guidance 2.5.1				
171. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
48 - Q48 Comment on Guidance 2.5.2				
172. International Insurance Foundation	International	No	Suggest adding at end: "The manner...in which decisions can be appealed should be defined, transparent, and incorporated into the announcement of the decision."	See revisions.
173. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
49 - Q49 Comment on Guidance 2.5.3				

174. American Council of Life Insurers	Office of General Counsel	No	ACLI recommends adding language to clarify that the supervisor's decision could not lawfully be carried out where a court has issued a stay order. We suggest this revision to the final sentence in the paragraph: "However, these mechanisms should allow the supervisor to exercise its powers quickly in cases where expeditious action is required, for example, IF A STAY IS NOT APPROVED BY THE COURT, by keeping the decision of the supervisor in force until the appeal or review mechanism has produced a final decision on the appeal.	Agreed. Text amended.
175. Institute of International Finance	United States	No	2.5 provides that the supervisor applies requirements and supervisory procedures equitably and consistently and that there are processes to appeal decisions. 2.5.3 confirms that the appeals process should be quick and should allow for the supervisor's decision to stay in effect pending appeal. This final point could effectively eliminate an insurer's right of appeal of a supervisory decision. We suggest that the final sentence of 2.5.3 be revised as follows: However, these mechanisms should allow the supervisor to exercise its powers quickly in cases where expeditious action is required, for example, if a stay is not approved by the court, by keeping the decision of the supervisor in force until the appeal or review mechanism has produced a final decision on the appeal.	Agreed. Text amended.
176. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
177. MetLife	USA	No	2.5 provides that the supervisor applies requirements and supervisory procedures equitably and consistently and that there are processes to appeal decisions. 2.5.3 confirms that the appeals process should be quick and should allow the supervisor's decision to stay in effect pending appeal. This final point could effectively eliminate an insurer's right of appeal of a supervisory decision. We suggest that the final sentence of 2.5.3 be revised as follows: "However, these mechanisms should allow the supervisor to exercise its powers quickly in cases where expeditious action is required, for example, if a stay is not approved by the Court, by keeping the decision of the supervisor in force until the appeal or review mechanism has produced a final decision on the appeal".	Agreed. Text amended.

178. Property Casualty Insurers Association of America (PCI)	USA	No	2.5 provides that the supervisor applies requirements and supervisory procedures equitably and consistently and that there are processes to appeal decisions. 2.5.3 confirms that the appeals process should be quick and should allow for the supervisor's decision to stay in effect pending appeal. This final point could effectively eliminate an insurer's right of appeal of a supervisory decision. We suggest that the final sentence of 2.5.3 be revised as follows: "However, these mechanisms should allow the supervisor to exercise its powers quickly in cases where expeditious action is required, for example, if a stay is not approved by the court, by keeping the decision of the supervisor in force until the appeal or review mechanism has produced a final decision on the appeal".	Agreed. Text amended.
179. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Last sentence, delete the "for example..." clause at the end as this is not an appropriate example to the main sentence. Also, decisions are appealed all the time.	Agreed. Change made.
50 - Q50 Comment on Standard 2.6				
180. Insurance Europe	Europe	No	As mentioned in Q21, Insurance Europe believes that confidentiality, being an 'overarching concept' of the ICP framework, warrants mentioning at ICP level. Furthermore, the ambition should be to ensure professional secrecy at supervisory level as opposed to confidentiality only. As was shared in response to the consulted revisions of ICP 3, Insurance Europe believes that the information received by authorities, bodies and persons should be covered by the obligation of professional secrecy; as opposed to confidentiality. Insurance Europe considers the requirement of confidentiality to be of a lesser legal power than the obligation of professional secrecy. In fact, in a number of jurisdictions professional secrecy is an absolute principle that has no limitation in time and from which one of the parties cannot be discharged by the other party.	Disagree. Confidentiality supports the other principles in this ICP. Moreover, it is in a separate standard in this ICP, with which standards supervisors should comply. Disagree. Professional secrecy would mean that supervisors would not be able to reveal information, for example in a court case. The concept of professional secrecy varies between jurisdictions.
181. Global Federation of Insurance Associations	Global	No	As mentioned in Q21, GFIA is of the view that confidentiality warrants mentioning at ICP level. Confidentiality should be an "overarching concept" within the ICP framework, that applies to all elements of the ICPs. As GFIA has previously commented in response to the consultation on revised ICP 3, the objective should be to ensure	See above.

			professional secrecy at the supervisory level as opposed to confidentiality only.	
182. American Council of Life Insurers	Office of General Counsel	No	<p>ACLI recommends retaining the statements in current ICP 2.9. First, we recommend that proposed 2.6 be revised to read: “The supervisor, including its staff and any third party acting on its behalf (presently or in the past), are required by legislation to protect the confidentiality of information in the possession of the supervisor. THE SUPERVISOR MAINTAINS APPROPRIATE SAFEGUARDS FOR THE PROTECTION OF CONFIDENTIAL INFORMATION. WRONGFUL DISCLOSURE OF CONFIDENTIAL INFORMATION IS SUBJECT TO PENALTIES. THE SUPERVISOR DENIES ANY REQUEST FOR CONFIDENTIAL INFORMATION, OTHER THAN WHEN REQUIRED BY LAW, OR WHEN REQUESTED BY ANOTHER SUPERVISOR WHO HAS A LEGITIMATE SUPERVISORY INTEREST AND THE ABILITY TO UPHOLD THE CONFIDENTIALITY OF THE REQUESTED INFORMATION.” Second, we recommend that a new paragraph be added to retain this guidance in current 2.9.5: “Safeguards for the protection of information include the restriction of access by the supervisor to confidential information received from another supervisor to those persons working for the supervisor or acting on its behalf who are subject to confidentiality requirements, are under its direct supervision and control, and have a need for such information that is consistent with, and directly related to, the purposes for which the information was requested.” All these statements are particularly important to us as we have not seen the new ICP 3 post-consultation.</p>	The first part of the suggestion is covered in 2.6.1. The second part of the suggested text belongs in ICP 3.
183. Zurich Insurance Company Ltd.	Switzerland	No	<p>As noted in our response to the IAIS’ consultation on ICP 3, digitalization and big data is causing a proliferation of sensitive and confidential data held. At the same time, cyber-attacks continue to increase in both frequency and impact, and supervisors are not immune to those. It is therefore in the common interest that all parties handling such data, including supervisors, have sufficiently clear, consistent and robust data protection principles in place. Given this, we recommend that “protect the confidentiality of information” be explicitly expanded to cyber, and that a specific guidance point under standard 2.6 which explicitly recommends a cyber-security strategy be put in place to “protect the confidentiality of information”.</p>	Disagree, the current language is deemed appropriate (refers to information in any format, including electronic).

184. Institute of International Finance	United States	No	As we had made the point in our previous consultation response, increased use of digital and other technologies, necessary supervisory coordination and cooperation, and the use of third-parties engaged by supervisors are increasing the amount and scope of distribution of sensitive and confidential information. It is therefore in the common interest that all parties handling such information, including supervisors, have sufficiently clear, consistent and robust protection and retention principles in place for information in any format as generally reflected in the revised 2.6. 2..	Noted
185. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
51 - Q51 Comment on Guidance 2.6.1				
186. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
52 - Q52 Comment on Guidance 2.6.2				
187. AIA Group	Hong Kong	No	Please consider highlighting that any non-public company information received by a supervisor should be considered sensitive information requiring safeguards from disclosure be maintained. As well, there should not be any disclosure unless the company authorises or the information is required by a court of competent jurisdiction or by law to be disclosed.	Agree on first point. Change made. Disagree on second point. There are various reasons, stated in a jurisdiction's law, when a supervisor should be able to disclose information; these reasons are not necessarily limited to the two reasons listed.
188. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
53 - Q53 Comment on Guidance 2.6.3				
189. American Council of Life Insurers	Office of General Counsel	No	ACLI recommends retaining the language in current 2.9.3 in a new paragraph 2.6.3 that would read: "The supervisor takes all actions necessary to preserve, protect and maintain the confidentiality of information received from another supervisor. The sharing and receipt of confidential information by the supervisor shall be subject to the confidentiality requirements in ICP 3 and relevant law."	This is already in ICP 3.

190. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
54 - Q54 Comment on Standard 2.7				
191. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
55 - Q55 Comment on Guidance 2.7.1				
192. Insurance Europe	Europe	No	Insurance Europe would like to remark the importance of sufficient leeway for supervisors to refrain from publishing information about problem or failed insurers (5th bullet point). The term 'supervisory actions' used in this Guidance is wide-ranging, and publication of such often delicate information can have significant detrimental effects that may not only conflict with other supervisory objectives, but also interfere with existing recovery plans and measures taken in relation to resolution. Please refer to Insurance Europe's positions on recovery and resolution in the responses provided to the recent IAIS consultation on revised ICPs 10 and 12.	The requested safeguards are already included in the bullet point.
193. Global Federation of Insurance Associations	Global	No	GFIA would like to remark on the importance of sufficient leeway for supervisors to refrain from publishing information about problem or failed insurers (5th bullet point). The term "supervisory actions" used in this Guidance is wide-ranging, and publication of such often delicate information can have significant detrimental effects that may not only conflict with other supervisory objectives, but also interfere with existing recovery plans and measures taken in relation to resolution. Please refer to the GFIA positions on recovery and resolution in the responses provided to the recent IAIS consultation on revised ICPs 10 and 12.	See above.
194. International Insurance Foundation	International	No	Information supervisor publishes should also include quantitative measures of its resources (including human resources) and any changes therein.	Agree.
195. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
196. National Association of Insurance	USA, NAIC	No	Suggest deleting the second and third bullets as these seem to relate to strategic planning, which is different from transparency. Perhaps replace	Disagree. This is transparency relating to strategic planning. This is not the same about reasons for

Commissioners (NAIC)			these bullets with “accessible information about the decisions it makes and reasons for doing so.”	decisions.
56 - Q56 Comment on Guidance 2.7.2				
197. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted.
198. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Instead of publishing an annual report, suggest the emphasis of this paragraph should be more on the supervisor making available publicly information that relates to its goals and objectives as well as its decisions.	Disagree. A regular document (or series of documents) that outlines certain key information about the ongoing work of a supervisor is a fundamental aspect of transparency.
57 - Q57 Comment on Standard 2.8				
199. Insurance Europe	Europe	No	Scope and meaning of the term “requirements” are not clear in the context of Standard 2.8. This should be clarified, for example by referring to “regulatory requirements” instead of “its requirements”.	Disagree. The use of “requirements” maintains consistency throughout the ICP.
200. Global Federation of Insurance Associations	Global	No	Scope and meaning of the term “requirements” are not clear in the context of Standard 2.8. This should be clarified, for example by referring to “regulatory requirements” instead of “its requirements”.	See above.
201. Zurich Insurance Company Ltd.	Switzerland	No	In addition to publicly consulting with all relevant stakeholders, the supervisor should conduct field tests (or other forms of pilots) and/or engage with relevant stakeholders during the drafting stage to adequately assess the complexity and significance of the intended changes and leverage academic, industry etc. experience as needed.	No change. These elements can be part of the consultation process, depending on the jurisdiction.
202. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
58 - Q58 Comment on Guidance 2.8.1				
203. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
59 - Q59 Comment on Guidance 2.8.2				

204. AIA Group	Hong Kong	No	We would suggest that as a general rule, at least 3 months would be the appropriate period for comments to be received after a consultation is published. Publication should be made available broadly to all stakeholders for example through the supervisor's website and industry associations. Respondents should be given the option to have their identity/comments not disclosed on the consultation. For the consultation to be effective, it is also important that the supervisor respond to the comments from stakeholders and make these responses publicly available for consideration before seeking any legislative approvals or implementing.	Disagree. This will be decided from jurisdiction to jurisdiction, depending on their legal systems and overall regulatory frame
205. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted
60 - Q60 Comment on Guidance 2.8.3				
206. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted
61 - Q61 Comment on Standard 2.9				
207. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
62 - Q62 Comment on Guidance 2.9.1				
208. International Insurance Foundation	International	No	Suggest including professional qualifications.	Change made.
209. ICMIF	UK	No	The supervisor's staffing policies should also foresee the establishment of ongoing and comprehensive training programmes for newly incorporated staff.	This is covered in 2.9.4
210. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted
63 - Q63 Comment on Guidance 2.9.2				
211. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted

64 - Q64 Comment on Guidance 2.9.3				
212. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
213. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Suggest adding some additional clarity: This review could lead the supervisor to implement measures to bridge any gaps in numbers and/or skills where necessary.	Agree
65 - Q65 Comment on Guidance 2.9.4				
214. International Insurance Foundation	International	No	The supervisor should not only provide training opportunities, but also require, or at least encourage, their utilization.	Agree. Amendment made.
215. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
66 - Q66 Comment on Guidance 2.9.5				
216. Cincinnati Insurance Company	United States of America	No	See answer to Q21.	Noted
217. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Editorial suggestion: "The technological resources available to the supervisor should enable supervisory staff..."	Agree
67 - Q67 Comment on Standard 2.10				
218. Insurance Europe	Europe	No	<p>The general principle that responsibility cannot be outsourced should be reflected in 2.10. Insurance Europe therefore recommends that the reference in Standard 2.10 to "supervisory responsibility" is replaced with "supervisory activity", as the supervisor should retain responsibility for activities that it outsources.</p> <p>In addition to the bullet points that follow Standard 2.10 a further bullet should be added as follows:</p> <ul style="list-style-type: none"> • "effectively control the costs of outsourced activities in a transparent manner that can be publicly scrutinised." <p>Insurance Europe would also suggest that in the selection of third party provider requirements on public procurement may be of relevance in</p>	Agree on the first point. Disagree on the second point. The cost of external consultants will be reflected in the financial statements published in accordance with 2.7. Public procurement is addressed in 2.10.2.

			some jurisdictions. This could find reflection in the Guidance following Standard 2.10.	
219. Global Federation of Insurance Associations	Global	No	<p>GFIA would suggest that in the selection of third party provider requirements on public procurement may be of relevance in some jurisdictions. This could find reflection in the Guidance following Standard 2.10.</p> <p>The general principle that responsibility cannot be outsourced should be reflected in 2.10. GFIA therefore recommends that reference in 2.10 to supervisory responsibility is replaced with supervisory activity, as the supervisor should retain responsibility for activities that it outsources.</p> <p>In addition to the bullet points that follow 2.10, GFIA recommends that a further bullet is added.</p> <p>“Effectively control the costs of outsourced activities in a transparent manner that can be publicly scrutinised.”</p>	See above
220. Zurich Insurance Company Ltd.	Switzerland	No	<p>Where third-party providers are mandated by a supervisory authority, the authority has to ensure that the management and cost controls of such providers follow best practice and that the applicable legal and regulatory framework actually allows for proper and cost-effective management of outsourced mandates. Without the appropriate management and controls there is a heightened risk of cost overruns (e.g. scope changes without revision of costs).</p> <p>Also, reflecting our comment on standard 2.6, as outsourced responsibilities should be subject to “the same confidentiality rules... as the staff of the supervisor” we would suggest explicit guidance to standard 2.10 around cyber security measures of outsourcing partners. This could include a recommendation that the supervisor conduct a cyber-security risk assessment of the partner in order to ensure the overall cyber security of its supply chain.</p>	Cybersecurity will be examined by the IAIS in upcoming work. Cybersecurity is included in this ICP by reference to treatment and handling of information. Information can be either physical or electronic.
221. Institute of International Finance	United States	No	The general principle that responsibility cannot be outsourced should be reflected in 2.10. We therefore recommend that reference in 2.10 to supervisory responsibility is replaced with supervisory activity, as the supervisor should retain responsibility for activities that it outsources.	See response to comment 218.

			In addition to the bullet points that follow 2.10 we recommend that a further bullet is added as follows EFFECTIVELY CONTROL THE COSTS OF OUTSOURCED ACTIVITIES IN A TRANSPARENT MANNER THAT CAN BE PUBLICALLY SCRUTINISED	
222. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted
68 - Q68 Comment on Guidance 2.10.1				
223. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted
69 - Q69 Comment on Guidance 2.10.2				
224. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted
70 - Q70 Comment on Guidance 2.10.3				
225. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted
71 - Q71 Comment on Guidance 2.10.4				
226. Cincinnati Insurance Company	USA	No	See answer to Q21.	Noted