



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Compiled Comments from Members on *Consultation on ComFrame material integrated with ICPs 9 and 10*

03-Mar-17 to 01-Jun-17

Organisation	Jurisdiction	Answer	Answer Comments
5 - Q5 Comment on Standard CF9.0a			
5. Monetary Authority of Singapore (MAS)	Singapore		This requirement for the group wide supervisor to assess the IAIG's compliance with the relevant legislation and supervisory requirements is already stated in the ICP 9 principle. Hence propose to delete CF9.0a.
6 - Q6 Standard CF9.0a			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
7. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs
8. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	The supervisor has a responsibility to ensure requirements in place in the jurisdiction are complied with by its IAIGs.
7 - Q7 Standard CF9.0a			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q6 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
9. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
8 - Q8 Standard CF9.0a			
What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q6 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
10. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
9 - Q9 Standard CF9.0a			
Please provide the assumptions made to estimate the one-time costs (Q7) and the ongoing costs per year (Q8).			
11. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
10 - Q10 Standard CF9.0a			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
13. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.

11 - Q11 Comment on Standard CF9.0b			
14. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Suggest CF9.0b should be deleted as this is already required of all supervisors and insurers, including IAIGs, by ICP 9.	
12 - Q12 Standard CF9.0b			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
16. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs
17. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	The supervisor has a responsibility to ensure requirements in place in the jurisdiction are complied with by its IAIGs.
13 - Q13 Standard CF9.0b			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q12 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
18. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
14 - Q14 Standard CF9.0b			
What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q12 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
19. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
15 - Q15 Standard CF9.0b			
Please provide the assumptions made to estimate the one-time costs (Q13) and the ongoing costs per year (Q14).			
20. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
16 - Q16 Standard CF9.0b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
22. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
38 - Q38 Comment on Standard CF9.2a			
39 - Q39 Standard CF9.2a			

<p>Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?</p>			
31. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs
32. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	
<p>40 - Q40 Standard CF9.2a What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q39 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>			
33. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
<p>41 - Q41 Standard CF9.2a What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q39 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>			
34. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
<p>42 - Q42 Standard CF9.2a Please provide the assumptions made to estimate the one-time costs (Q40) and the ongoing costs per year (Q41). Comment Box</p>			
35. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
<p>43 - Q43 Standard CF9.2a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).</p>			
37. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this. Nevertheless, this and the work that the group-wide supervisor does in coordination with all of the supervisors (similar to what is done through supervisory colleges) should be the focal point of Comframe. Comframe should provide best practices to achieve the objective, but it should allow the outcomes to be achieved in different ways.

44 - Q44 Comment on Guidance CF9.2a.1		
38. Monetary Authority of Singapore (MAS)	Singapore	Suggest to delete this as it is implicit that the risk assessment is conducted with inputs from the supervisory process. Furthermore, ICP 9.2.3 states that in performing the supervisory review, supervisors should gather inputs from various sources.
45 - Q45 Comment on Guidance CF9.2a.2		
39. Monetary Authority of Singapore (MAS)	Singapore	Suggest to delete as this is already mentioned in ICP 9.2.3.
46 - Q46 Comment on Guidance CF9.2a.3		
40. Monetary Authority of Singapore (MAS)	Singapore	This requirement for the group-wide supervisor to rely on information gathered from other involved supervisors and to consider inputs from other relevant supervisors is equally relevant to non-IAIG. Propose to move this to ICP guidance level.
47 - Q47 Comment on Guidance CF9.2a.4		
41. Monetary Authority of Singapore (MAS)	Singapore	Please refer to comment on CF9.2a.3.
48 - Q48 Comment on Guidance CF9.2a.5		
42. Komisja Nadzoru Finansowego - KNF (Polish Financial Supervision Authority)	Poland	No peer-groups identified currently on the Polish insurance market.
43. Monetary Authority of Singapore (MAS)	Singapore	The current drafting seems to suggest that peer-group analysis should be conducted. However there could be cases where peer group analysis is not possible because there are no comparable peer group or information is not available. We suggest to redraft as follows to provide flexibility for peer group analysis: "The group-wide supervisor should, where relevant and practicable, cooperate with group-wide supervisors of other IAIGs to conduct a peer-group analysis to provide information relevant to the group-wide risk assessment.
44. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not all IAIGs are the same, so peer-group analysis may not be possible or relevant for all IAIGs. Where possible, peer-group analysis would be a complement to the group-wide risk assessment, whereas this guidance reads as if this is an expectation in every case. Suggest revising the first sentence to: The group-wide supervisor may consider conducting peer-group analysis, where possible, to provide information that may complement the group-wide risk assessment, in cooperation with group-wide supervisors of other IAIGs.
49 - Q49 Comment on Standard CF9.2b		
45. Monetary Authority of Singapore (MAS)	Singapore	We are of the view that all the bullet points listed in this CF are equally applicable for all insurance groups and not just IAIGs. IGWG may want to consider moving these to ICP guidance level.

46. National Association of Insurance Commissioners (NAIC)	USA, NAIC	<p>Having a list of this nature as a standard is far too prescriptive and suggests a tick-the-box approach to risk assessment; consider whether all of these bullets are necessary as a standard for an effective group-wide risk assessment and whether the content of this standard can be written as more outcomes focused.</p> <p>In the eight bullet, delete “adequacy and”. Assessing the soundness of the IAIG’s ERM is more consistent with the supervisor’s responsibility to assess the risk associated with these items and then engaging in a conversation with the IAIG to determine how they are addressing the risk.</p> <p>The last bullet should be deleted; such an assessment should only be considered if the risks are sufficiently high to suggest an insolvency may occur rather than performed on an annual basis.</p>	
<p>50 - Q50 Standard CF9.2b Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?</p>			
48. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
49. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Partially	U.S. state regulators have broad authority to take a variety of actions on insurers in order to protect policyholders. Through our financial reporting requirements, access to any information in the possession of the insurance group, and our well documented risk-based approaches to financial analysis and financial examinations, we can achieve the same general outcomes of this standard, but having a list of this nature as a standard is far too prescriptive and suggests a tick-the-box approach to risk assessment.
<p>51 - Q51 Standard CF9.2b What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q50 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>			
50. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is generally already conducted by U.S. state insurance regulators.	
<p>52 - Q52 Standard CF9.2b What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q50 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>			
51. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is generally already conducted by U.S. state insurance regulators.	
<p>53 - Q53 Standard CF9.2b Please provide the assumptions made to estimate the one-time costs (Q51) and the ongoing costs per year (Q52).</p>			

52. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
54 - Q54 Standard CF9.2b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
54. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	See response to Q50.
55 - Q55 Comment on Guidance CF9.2b.1			
55. Monetary Authority of Singapore (MAS)	Singapore	While it may be an implicit intent, it would be clearer to the reader if the CF could be re-worded to mention that the aggregated risk exposures would not need to consider non-regulated entities that are excluded from group-wide supervision.	
56. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Much of this guidance is far too prescriptive and suggests a level of supervision that is not appropriate given it “steps into the shoes of management.” This guidance should be reworded accordingly; for example, remove words such as evaluating “adequacy” and replace with words such as assessing the “residual risks” of what is left after management has addressed in the way it has. It is appropriate for supervisors to consider any risk within the group and consider that in its overall risk assessment, but the language utilized as drafted goes beyond that.	
56 - Q56 Comment on Guidance CF9.2b.2			
57. Monetary Authority of Singapore (MAS)	Singapore	We would like to seek clarification on the level of expectation in relation to the risk assessment of “third party participations and minority interest”.	
58. National Association of Insurance Commissioners (NAIC)	USA, NAIC	The first sentence is fine, but the rest of this paragraph should be deleted as the issues addressed and level of detail are not appropriate for this part of ComFrame.	
57 - Q57 Comment on Guidance CF9.2b.3			
58 - Q58 Comment on Guidance CF9.2b.4			
59. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Although considering the adequacy of capital in general may be appropriate as part of an annual risk assessment, the other text after the first sentence should be deleted as the issues addressed and level of detail are not appropriate for this part of ComFrame.	
59 - Q59 Comment on Guidance CF9.2b.5			
60. National Association of Insurance Commissioners (NAIC)	USA, NAIC	The first sentence should be revised to read: “The group-wide supervisor should identify and consider in the assessment situations which may give rise to double or multiple gearing”. In addition, the third and fourth	

		sentences should be deleted as the issues addressed and level of detail are not appropriate for this part of ComFrame.	
60 - Q60 Comment on Guidance CF9.2b.6			
61. National Association of Insurance Commissioners (NAIC)	USA, NAIC	<p>This should be deleted as the issues addressed and level of detail are not appropriate for this part of ComFrame.</p> <p>Additionally, as drafted, the text seems to ignore that not all capital is fungible and that available capital may not be fungible at any time, such as when capital has been reduced to a level of concern. Regulatory, legal and other requirements do affect (not may affect) the IAIG's ability to transfer capital to other parts of the group.</p>	
61 - Q61 Comment on Guidance CF9.2b.7			
62. National Association of Insurance Commissioners (NAIC)	USA, NAIC	<p>This paragraph correctly focuses on macro issues in "material" jurisdictions in which the IAIG operates. The idea of materiality (and a risk-based approach) is unfortunately often missing from other parts of ComFrame. This should be emphasised throughout, otherwise suggesting the same level of review, assessment, coordination, etc. across the IAIG and all of its legal entities may waste valuable supervisory resources and duplicate supervisory efforts.</p>	
83 - Q83 Comment on Standard CF9.4a			
84 - Q84 Standard CF9.4a			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
75. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
76. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	While there is no such requirement currently, the NAIC is working on developing a group capital calculation. Additionally, the U.S. Federal Reserve is in the process of developing a group capital requirement for those insurers which qualify as SIFIs.
85 - Q85 Standard CF9.4a			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q84 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
77. National Association of Insurance Commissioners (NAIC)	USA, NAIC	<p>The cost is HIGHLY material since systems would have to be produced to calculate the ICS and to ensure that controls are in place. While it's difficult to ascertain one-time (initial) costs, we estimate that perhaps at least 1 million USD may be necessary.</p> <p>Additionally, if implementing the ICS were to require legislative action, the total cost for doing so in the states where an IAIG is be domiciled, would be roughly approximated to 600,000 USD.</p>	
86 - Q86 Standard CF9.4a			

What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q84 that would have to be made solely for purposes of ComFrame (please specify the currency)?

78. National Association of Insurance Commissioners (NAIC)	USA, NAIC	The cost is material but cannot be estimated at this time.	
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87 - Q87 Standard CF9.4a
Please provide the assumptions made to estimate the one-time costs (Q85) and the ongoing costs per year (Q86).

79. National Association of Insurance Commissioners (NAIC)	USA, NAIC	These assumptions assume 10 states (where U.S. IAIGs are domiciled): for creating new systems, ten states at approximately \$100,000 per state = \$1million; for legislative changes, ten states at approximately \$60,000 per state (assume six months to adopt as legislation) = \$600,000 USD.	
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88 - Q88 Standard CF9.4a
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).

81. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Minimum benefit	Given its current form.
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104 - Q104 Comment on Standard CF9.6a

105 - Q105 Standard CF9.6a
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?

84. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
85. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	

106 - Q106 Standard CF9.6a

What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q105 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
86. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
107 - Q107 Standard CF9.6a What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q105 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
87. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
108 - Q108 Standard CF9.6a Please provide the assumptions made to estimate the one-time costs (Q106) and the ongoing costs per year (Q107).			
88. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
109 - Q109 Standard CF9.6a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
90. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
110 - Q110 Comment on Guidance CF9.6a.1			
111 - Q111 Comment on Guidance CF9.6a.2			
112 - Q112 Comment on Guidance CF9.6a.3			
113 - Q113 Comment on Standard CF9.6b			
91. Monetary Authority of Singapore (MAS)	Singapore	We are of the view that this is equally applicable for all insurance groups and not just IAIGs. The IAIS may want to consider moving this to the ICP level.	
92. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This standard needs to be reworded or deleted. While there may be times where the supervisors agree this is important, it would likely be rare. Guidance on this standard provides little insight as to when/why a joint inspection would be "appropriate".	
114 - Q114 Standard CF9.6b Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			

94. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
95. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance regulators do have joint on-site inspections within the U.S. and have the ability to conduct such inspections on legal entities of an IAIG located in an international jurisdiction, when the state is the group-wide supervisor of the IAIG. Regardless, such inspections should be targeted at specific issues and well defined in scope.
115 - Q115 Standard CF9.6b What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q114 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
96. National Association of Insurance Commissioners (NAIC)	USA, NAIC	It is difficult to estimate costs that would be involved in performing and/or taking part in a joint on-site inspection, especially as these would only be done "where appropriate". It may also depend on whether this is seen as part of the costs and operations of a supervisory college.	
116 - Q116 Standard CF9.6b What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q114 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
97. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q115.	
117 - Q117 Standard CF9.6b Please provide the assumptions made to estimate the one-time costs (Q115) and the ongoing costs per year (Q116).			
98. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q115.	
118 - Q118 Standard CF9.6b Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			

100. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Reasonably beneficial	Participation in on-site inspections of legal entities located in other jurisdictions could be very beneficial to obtain a full understanding of the group's activities; however, as noted above, the actual benefits may depend on how "where appropriate" is defined and whether they are targeted at specific issues and well defined in scope.
119 - Q119 Comment on Guidance CF9.6b.1			
120 - Q120 Comment on Guidance CF9.6b.2			
124 - Q124 Comment on Standard CF9.7a			
125 - Q125 Standard CF9.7a			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
102. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
103. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance regulators use findings from reviews as an input into the continual assessment of the group and are documented in the summary assessment developed by the group-wide supervisor, and shared at least annual at the supervisory college.
126 - Q126 Standard CF9.7a			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q125 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
104. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
127 - Q127 Standard CF9.7a			
What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q125 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
105. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already conducted by U.S. state insurance regulators.	
128 - Q128 Standard CF9.7a			
Please provide the assumptions made to estimate the one-time costs (Q126) and the ongoing costs per year (Q127).			
106. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
129 - Q129 Standard CF9.7a			

<p>Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).</p>			
108. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
<p>132 - Q132 General Comment on ComFrame material integrated with ICP 10</p>			
110. Bank Negara Malaysia	Malaysia	No comments.	
<p>140 - Q140 Comment on Standard CF10.0a</p>			
114. National Association of Insurance Commissioners (NAIC)	USA, NAIC	<p>This standard suggests that all supervisory measures are applied directly at the Head of the IAIG, however supervisors can achieve similar outcomes regardless of whether measures are applied directly or indirectly. Additionally, which type of measures and how to apply them may depend on the structure of the IAIG and the specific circumstances. Limiting the ability to take effective supervisory measures to only direct ones seems overly prescriptive and contrary to what was agreed to in June 2014 (which outlined four specific direct powers and that these powers should be supported by escalating supervisory actions and enforcement powers – not that such things are ONLY done directly). Suggest deleting “directly”.</p>	
		<p>Additionally, it is unclear what “within the group-wide supervisor’s jurisdiction” adds. Don’t all ComFrame standards and guidance come with the assumption that when the group-wide supervisor does or requires something of the Head of the IAIG, that they have the authority to do so as they are within that supervisor’s jurisdiction? There should be no suggestion in the standard or guidance below that a group-wide supervisor can apply supervisory measures on the Head of an IAIG over which it has no authority.</p>	
<p>141 - Q141 Standard CF10.0a</p> <p>The IAIS considers it important for IAIGs that the group-wide supervisor can hold the Head of the IAIG accountable for meeting standards which apply to the group as a whole, even where the Head of the IAIG is an unregulated financial holding company.</p> <p>The draft ComFrame standard CF10.0a provides that “supervisory measures” must be available, but does not specify a minimum set of such supervisory measures which should be available to the group-wide supervisor to take. Examples of some supervisory measures are provided as guidance in ICP 10.2.5, including requiring an increase in capital, but, as guidance, these measures do not have to be available.</p> <ul style="list-style-type: none"> - Should the ComFrame standard refer to any specific measures which must be available to the group-wide supervisor to apply directly to the Head of the IAIG? - If yes, what measures should be referred to in the standard? 			
115. European Insurance and Occupational Pensions Authority (EIOPA)	EIOPA	EIOPA is of the view that specific measures must be available for the group-wide supervisor to apply directly to the Head of the	

		IAIG. These supervisory measures, assuming that the Head is a (re)insurer, are the ones listed as examples in Guidance ICP 10.2.5 and should also include the imposition of capital add-ons.	
116. Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Germany - BAFIN	NO	
117. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No. The focus should be on the outcome, not the form. Including specific measures in the standard would be overly prescriptive.	
142 - Q142 Standard CF10.0a			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
119. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
120. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	Supervisory measures may be applied directly at the Head of the IAIG, but U.S. state insurance regulators aim at achieving similar outcomes regardless of whether this is achieved directly or indirectly. The type(s) of supervisory measures and how / on whom to apply them will depend on the structure of the IAIG and the specific circumstances. As currently drafted, this standard seems to limit the supervisor’s ability to take effective supervisory measures to only direct ones, which seems overly prescriptive and contrary to what was agreed to in June 2014 (which outlined four specific direct powers and that these powers should be supported by escalating supervisory actions and enforcement powers – not that such actions and powers are ONLY done directly).
143 - Q143 Standard CF10.0a			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q143 that would have to be made solely for purposes of ComFrame (please specify the currency)?			

121. National Association of Insurance Commissioners (NAIC)	USA, NAIC	The costs depend if the intention of this standard is to require ALL supervisory measures to deal with an IAIG to be done directly at the Head of the IAIG. Having supervisors incur additional costs simply to observe ComFrame when they may meet the same outcome is not a productive use of resources.	
144 - Q144 Standard CF10.0a What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q143 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
122. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q143.	
145 - Q145 Standard CF10.0a Please provide the assumptions made to estimate the one-time costs (Q144) and the ongoing costs per year (Q145).			
123. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q143.	
146 - Q146 Standard CF10.0a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
125. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	See response to Q142 and Q143.
147 - Q147 Comment on Guidance CF10.0a.1			
148 - Q148 Comment on Guidance CF10.0a.2			
126. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	It may be useful to include an example re the group-wide supervisor should use indirect powers to apply supervisory measures.	
149 - Q149 Comment on Standard CF10.0b			
127. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Since the involved supervisor will be the one to carry out the supervisory measure on the legal insurance entity within its jurisdiction, what exactly is being "coordinated" with the other involved supervisors? This seems to be	

			more about communicating rather than coordinating – suggest revising the standard and its guidance accordingly.
150 - Q150 Standard CF10.0b			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
129. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
130. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance supervisors currently coordinate and cooperate as part of supervisory colleges.
151 - Q151 Standard CF10.0b			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q150 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
131. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already met by U.S. state insurance regulators.	
152 - Q152 Standard CF10.0b			
What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q150 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
132. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already met by U.S. state insurance regulators.	
153 - Q153 Standard CF10.0b			
Please provide the assumptions made to estimate the one-time costs (Q151) and the ongoing costs per year (Q152).			
133. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
154 - Q154 Standard CF10.0b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
135. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this function.
155 - Q155 Comment on Guidance CF10.0b.1			
156 - Q156 Comment on Guidance CF10.0b.2			
157 - Q157 Comment on Guidance CF10.0b.3			
158 - Q158 Comment on Guidance CF10.0b.4			

159 - Q159 Comment on Guidance CF10.0b.5			
160 - Q160 Comment on Guidance CF10.0b.6			
173 - Q173 Comment on Standard CF10.2a			
174 - Q174 Standard CF10.2a Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
139. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
140. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	
175 - Q175 Standard CF10.2a What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q174 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
141. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, U.S. state insurance regulators already perform these things.	
176 - Q176 Standard CF10.2a What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q174 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
142. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, U.S. state insurance regulators already perform these things.	
177 - Q177 Standard CF10.2a Please provide the assumptions made to estimate the one-time costs (Q175) and the ongoing costs per year (Q176).			
143. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
178 - Q178 Standard CF10.2a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
145. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
179 - Q179 Comment on Guidance CF10.2a.1			

180 - Q180 Comment on Guidance CF10.2a.2			
181 - Q181 Comment on Guidance CF10.2a.3			
146. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	Should the word "standard" be capitalized as is the case in CF10.2a.1	
188 - Q188 Comment on Standard CF10.3a			
157. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	<p>It seems that this section is missing expectations for the Board and Senior Management. For example, Board is expected to approve the recovery plan and/or underpinning decision making processes, policies and approaches. Senior Management is expected to develop, implement, review and approve the recovery plan. Also, this section is silent on the role of Internal Audit (review of internal controls).</p> <p>Suggestion: Include clear expectations for the Board, Senior Management and Internal Audit.</p>	
158. European Insurance and Occupational Pensions Authority (EIOPA)	EIOPA	As mentioned in 10.3, EIOPA considers that recovery plans should be requested beyond IAIGs allowing for flexibility based on proportionality.	
159. National Association of Insurance Commissioners (NAIC)	USA, NAIC	<p>The concept of recovery plans needs additional clarification and explanation. The expectations on when/why the supervisor would require a recovery plan are unclear – does this standard require the IAIG to have a recovery plan at all times (and for multiple situations) or only when needed (which would be more risk-based)? ICP 10.3.3 describes recovery plans as a corrective measure, which are required if the insurer fails to operate in a manner that is consistent with regulatory requirements (ICP 10.3), but it is not clear from the current draft if this is the expectation for when an IAIG needs a recovery plan. Additionally, there is potential duplication with the type of planning an IAIG may do as part of risk management, in particular the ORSA process; as CF10.3a.7 notes, recovery plans are an integral part of risk management. As work on revising ICP 16 and its ComFrame material is in progress, the IAIS should consider whether the material on recovery plans is more suited to go under that ICP rather than being included under ICP 10 as a 'done in advance' corrective measure.</p>	
189 - Q189 Standard CF10.3a			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
161. Bank Negara Malaysia	Malaysia	No	Currently. Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
162. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Partially	U.S. state insurance regulators may have an IAIG experiencing financial hardship generally prepare recovery plans which are reviewed by members of a supervisory college; college members provide input and direction on the content of a recovery plan. However, there is no formal requirement for IAIGs to have recovery plans at all times. Additionally, the U.S. Federal Reserve requires recovery plans for those insurers which qualify as SIFIs.

190 - Q190 Standard CF10.3a			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q189 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
163. National Association of Insurance Commissioners (NAIC)	USA, NAIC	The costs depend if the intention of this standard is to require the IAIG to have a recovery plan at all times or when needed, which would be more risk-based. Incurring additional costs to develop a plan that is never used does not seem to be a productive use of supervisory and firm resources.	
191 - Q191 Standard CF10.3a			
What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q189 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
164. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q190.	
192 - Q192 Standard CF10.3a			
Please provide the assumptions made to estimate the one-time costs (Q190) and the ongoing costs per year (Q191).			
165. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q190.	
193 - Q193 Standard CF10.3a			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
167. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	See response to Q189 and Q190.
194 - Q194 Comment on Guidance CF10.3a.1			

168. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	Suggest deleting - "and the frequency for updating the plan."
195 - Q195 Comment on Guidance CF10.3a.2		
169. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	Suggest deleting the words "in particular" and "any" in second sentence and adding the word "may" before the word "require" in fourth sentence.
196 - Q196 Comment on Guidance CF10.3a.3		
170. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	Suggested edits: Pre-defined recovery plans triggers and thresholds should include a well-defined range of qualitative or quantitative criteria that are aligned with triggers and thresholds used of other contingency plans.
197 - Q197 Comment on Guidance CF10.3a.4		
171. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	Suggested edits: The recovery plans developed by the IAIG should cover all material entities within the group, including holding companies, subsidiaries, branches, joint ventures and non-regulated companies.
198 - Q198 Comment on Guidance CF10.3a.5		
199 - Q199 Comment on Guidance CF10.3a.6		
172. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	Suggested edits to second bullet - recovery planning is integrated with all relevant enterprise-wide frameworks, processes and practices and the IAIG's overall governance processes.
173. Monetary Authority of Singapore (MAS)	Singapore	Given that there are more bullet points after the first bullet, please remove the word "and" at the end of the first bullet point.
200 - Q200 Comment on Guidance CF10.3a.7		
201 - Q201 Comment on Guidance CF10.3a.8		
174. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	<p>Suggested edits to first bullet: a comprehensive list of concrete, credible recovery actions to respond to a range of significant stress scenarios, including both idiosyncratic and market wide stress events and restore the Financial health of the IAIG.</p> <p>Suggest deleting the second bullet entirely.</p> <p>Suggested edits to fourth bullet: governance, escalation mechanisms and supporting processes to ensure timely implementation of recovery plans</p> <p>Suggested edits to fifth bullet: could consider deleting given that "quantitative or qualitative trigger points" are already included in 10.3a.3</p>

202 - Q202 Comment on Guidance CF10.3a.9			
175. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	<p>Could consider combining the first two bullets</p> <p>Add new bullets - "balance sheet management" and "cost containment measures"</p> <p>Suggested edit to "including sales of subsidiaries" to "divestitures, such as sales of subsidiaries;"</p>	
203 - Q203 Comment on Guidance CF10.3a.10			
176. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	<p>Suggested edits : The group-wide supervisor should regularly review the recovery plan to assess the plan from a supervisory perspective (e.g., risk assessment and intervention). Where necessary, the group-wide supervisor should provide supervisory feedback to the IAIG and require that the firm addresses the deficiencies.</p>	
204 - Q204 Comment on Standard CF10.3b			
177. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	<p>Suggested edit - The supervisor requires the IAIG to develop and maintain management information systems (MIS) that are able to produce information on a timely basis in times of stress.</p>	
178. Komisja Nadzoru Finansowego - KNF (Polish Financial Supervision Authority)	Poland	<p>Suggested change: The group-wide supervisor expects that IAIG will develop and maintain appropriate management information systems (MIS) that ensure to produce information relating to recovery plan on a timely basis.</p>	
179. National Association of Insurance Commissioners (NAIC)	USA, NAIC	<p>In general, members of a supervisory college overseeing IAIGs experiencing financial hardship would require that management information systems are well functioning for proposed recovery actions. It is unclear why this particular issue is being singled out as part of the recovery planning process and necessitates a standard and how it is not already covered by requirements (ICPs and/or ComFrame) related to internal controls. Consider deleting this standard.</p>	
205 - Q205 Standard CF10.3b			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
181. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
182. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Partially	While U.S. state insurance regulators may not have formal requirements for IAIGs to develop and maintain management information systems for execution of recovery actions, members of a supervisory college overseeing IAIGs experiencing financial hardship would require that management information systems are well functioning for proposed recovery actions. Additionally, it is unclear why this standard would not

			already be covered by requirements (ICPs and/or ComFrame) related to internal controls.
206 - Q206 Standard CF10.3b			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q205 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
183. National Association of Insurance Commissioners (NAIC)	USA, NAIC	It is difficult to estimate the costs of implementing this standard as it is not clear if these management information systems already exist within IAIGs as part of their general internal controls.	
207 - Q207 Standard CF10.3b			
What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q205 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
184. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q206.	
208 - Q208 Standard CF10.3b			
Please provide the assumptions made to estimate the one-time costs (Q206) and the ongoing costs per year (Q207).			
185. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q206.	
209 - Q209 Standard CF10.3b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
187. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	See response to Q205 and Q206.
210 - Q210 Comment on Guidance CF10.3b.1			
188. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	Suggested edits - It is important that the IAIG have the information necessary in times of stress. Some of the recovery information may be similar to the information needed for resolution. Comment - In Canada, large insurance companies are subject to RDARR requirements, which cover a significant part of RRP data needs.	

189. Komisja Nadzoru Finansowego - KNF (Polish Financial Supervision Authority)	Poland	Suggestion: to consider deleting the second sentence („Some of this information (...)).	
221 - Q221 Comment on Standard CF10.5a			
222 - Q222 Standard CF10.5a Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
192. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
193. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance regulators already perform this. Communication among supervisors is a key element of our solvency system; this is embedded within our practices and procedures.
223 - Q223 Standard CF10.5a What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q222 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
194. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already done in practice by U.S. state insurance regulators.	
224 - Q224 Standard CF10.5a What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q222 that would have to be made solely for purposes of ComFrame (please specify the currency)? Comment Box			
195. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already done in practice by U.S. state insurance regulators.	
225 - Q225 Standard CF10.5a Please provide the assumptions made to estimate the one-time costs (Q223) and the ongoing costs per year (Q224). Comment Box			
196. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
226 - Q226 Standard CF10.5a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
198. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
227 - Q227 Comment on Standard CF10.5b			
228 - Q228 Standard CF10.5b			

Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
200. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
201. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance regulators deal with the Head of the IAIG when issues cannot be resolved at the legal entity level.
229 - Q229 Standard CF10.5b What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q228 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
202. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already done in practice by U.S. state insurance regulators.	
230 - Q230 Standard CF10.5b What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q228 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
203. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already done in practice by U.S. state insurance regulators.	
231 - Q231 Standard CF10.5b Please provide the assumptions made to estimate the one-time costs (Q229) and the ongoing costs per year (Q230).			
204. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
232 - Q232 Standard CF10.5b Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
206. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
244 - Q244 Comment on Standard CF10.6a			
209. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Similar to our comment on CF10.0a, this standard suggests that all sanctions are applied directly at the Head of the IAIG, however supervisors can achieve similar outcomes regardless of whether sanctions are applied directly or indirectly. Additionally, which type of sanctions and how to apply them may depend on the structure of the IAIG and the specific circumstances. Limiting the ability to apply effective sanctions to only directly seems overly prescriptive and contrary to what was agreed to in June 2014 (which outlined four specific direct powers and that	

			<p>these powers should be supported by escalating supervisory actions and enforcement powers – not that such things are ONLY done directly). Suggest deleting “directly”.</p> <p>Additionally, it is unclear what “within the group-wide supervisor’s jurisdiction” adds. Don’t all ComFrame standards and guidance come with the assumption that when the group-wide supervisor does or requires something of the Head of the IAIG, that they have the authority to do so as they are within that supervisor’s jurisdiction? There should be no suggestion in the standard or guidance below that a group-wide supervisor can apply sanctions on the Head of an IAIG over which it has no authority.</p>
245 - Q245 Standard CF10.6a Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
211. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
212. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	Sanctions may be applied directly at the Head of the IAIG, but U.S. state insurance regulators aim at achieving similar outcomes regardless of whether this is achieved directly or indirectly. The type(s) of sanctions and how / on whom to apply them will depend on the structure of the IAIG and the specific circumstances. As currently drafted, this standard seems to limit the supervisor’s ability to apply sanctions to only directly, which seems overly prescriptive and contrary to what was agreed to in June 2014 (which outlined four specific direct powers and that these powers should be supported by escalating supervisory actions and enforcement powers – not that such actions and powers are ONLY done directly).
246 - Q246 Standard CF10.6a What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q245 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
213. National Association of Insurance Commissioners (NAIC)	USA, NAIC		The costs depend if the intention of this standard is to require ALL sanctions to deal with an IAIG to be done directly at the Head of the IAIG. Having supervisors incur additional costs simply to observe ComFrame when they may meet the same outcome is not a productive use of resources.
247 - Q247 Standard CF10.6a			

What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q245 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
214. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q246.	
248 - Q248 Standard CF10.6a Please provide the assumptions made to estimate the one-time costs (Q246) and the ongoing costs per year (Q247).			
215. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q246.	
249 - Q249 Standard CF10.6a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
217. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	See response to Q245 and Q246.
250 - Q250 Comment on Guidance CF10.6a.1			
251 - Q251 Comment on Guidance CF10.6a.2			
252 - Q252 Comment on Guidance CF10.6a.3			
218. Office of the Superintendent of Financial Institutions (OSFI)	Canada - OSFI	The word "and" on second line may be a typo....	
253 - Q253 Comment on Standard CF10.6b			
219. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Similar to our comment on CF10.0b, since the involved supervisor will be the one to carry out the sanction on the legal insurance entity within its jurisdiction, what exactly is being "coordinated" with the other involved supervisors? This seems to be more about communicating rather than coordinating – suggest revising the standard and its guidance accordingly.	
254 - Q254 Standard CF10.6b Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
221. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
222. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance supervisors currently coordinate and cooperate as part of supervisory colleges.
255 - Q255 Standard CF10.6b What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q254 that would have to be made solely for purposes of ComFrame (please specify the currency)?			

223. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already met by U.S. state insurance regulators.	
256 - Q256 Standard CF10.6b What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q254 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
224. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already met by U.S. state insurance regulators.	
257 - Q257 Standard CF10.6b Please provide the assumptions made to estimate the one-time costs (Q255) and the ongoing costs per year (Q256).			
225. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
258 - Q258 Standard CF10.6b Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
227. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this function.
259 - Q259 Comment on Guidance CF10.6b.1			

Compiled Comments from Stakeholders on *Consultation on ComFrame material
integrated with ICPs 9 and 10*

03-Mar-17 to 01-Jun-17

Organisation	Jurisdiction	Answer	Answer Comments
2 - Q2 General Comment on ComFrame material integrated with ICP 9			
11. Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries)	Germany	In general, we regard the integration as successful. However there is potential for improvement in particular by removing some inconsistencies (C.f. our answer to Q34.).	
12. Global Federation of Insurance Associations	Global	Any collection of information must be done in a manner consistent with the laws of the local jurisdiction, and subject to confidentiality requirements. The ICP/ComFrame guidance should not be prescriptive; the extent of assessments should reflect proportionality; and there should not be a mandated frequency (i.e., annually) – the term “periodic” is more appropriate and provides flexibility for the supervisor and insurer to decide on the appropriate frequency of assessments.	
13. International Actuarial Association	International	ComFrame requirements are included in the Introduction – We think they would fit better in a separate section. In general we regard the integration as successful. However, note our answer to Q34 for removing some inconsistencies.	
15. ACLI	US	ICP 9 and all other ComFrame sections that suggest sharing of information among supervisors should incorporate by reference the standards and guidance set out in ICP 3 (Information Sharing and Confidentiality), reinforcing the need for supervisors to be held responsible for ensuring the safe handling of information they may transmit or receive from another supervisor.	

16. Liberty Mutual Insurance Group	USA	<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 limited, often focused on the obligation of non-insurance affiliates to assist in information reporting. U.S. insurance group supervision is multi-jurisdictional and entity based.</p> <p>The ComFrame provisions in ICP9 are not so oriented and, therefore, would require extensive and significant changes to existing supervisory authority, at least in the U.S., in order to allow for the direct supervision of non-insurance holding companies.</p> <p>In addition, the substantive provisions prescribe costly changes to how insurance groups conduct business that are not justifiable on a cost-benefit basis. They would require insurers to adopt new systems, hire new people, and employ new resources, without adding value to the sound conduct of business and the protection of policyholders and claimants. Moreover, the proposed new standards do not adhere to the IAIS's stated goal of proportionality in developing ICP standards. Instead, they are often granular, detailed, and reflect a "one-size fits all" approach to insurance supervision. These provisions must make both good business sense for companies and be sound regulatory tools for supervisors in each jurisdiction. In many cases, the proposed new standards interfere with the flexibility necessary for the exercise of sound business judgment, because of the prescriptive nature of the measures that management would be required to use. Although it is possible some of the proposed new standards may be reasonable with respect to systemically important insurers, they are not reasonable for IAIGs in general.</p> <p>Finally, , the use of language in the ComFrame text that such as "the supervisor determines the appropriate level of supervisory intensity" creates uncertainty as to the scope of the supervisor's power. Providing discretionary authority to supervisors should be accompanied by guidance for supervisors as to the manner in which that discretion should be exercised. Although this provision is arguably consistent with the IAIG's of proportionality, such open-ended discretion without any guidance as to how it should be exercised is not useful.</p>
5 - Q5 Comment on Standard CF9.0a		
22. Insurance Europe	Europe	Insurance Europe agrees. However, Insurance Europe deems it very important that the cooperation between the group supervisor and other involved supervisors takes place within the setting of a college of supervisors which ensures transparency and promotes convergence of supervisory practices. It should also be clarified what is meant by the term "relevant legislation and supervisory requirements", as this is very broad. Insurance Europe suggest there should be an element of materiality or a risk-based measure embedded in this Standard, to better reflect the overarching concept of proportionality.
23. GDV - German Insurance Association	Germany	GDV considers it very important that the cooperation between the group supervisor and other involved supervisors takes place within the setting of a college of supervisors which ensures transparency and promotes convergence of supervisory practices.

24. Global Federation of Insurance Associations	Global		GFIA considers the supervisory college to be the most important forum for enhancing cooperation between the group-wide supervisor and the involved supervisors. The supervisory college ensures transparency and promotes convergence of supervisory practices.
25. International Actuarial Association	International		ComFrame requirements are included in the Introduction – We think they would fit better as a separate section
6 - Q6 Standard CF9.0a Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame? Single Choice Question.			
27. General Insurance Association of Japan	Japan	Yes	Assessments by the group-wide supervisor in cooperation with other involved supervisors are carried out through supervisory colleges and other means.
28. Liberty Mutual Insurance Group	USA	No	Liberty Mutual’s group-wide supervisor does not assess our compliance at the group level. The group-wide supervisor does not have the authority to do so. Obtaining that authority from the legislature would require a significant re-ordering of current regulatory authorities between jurisdictions. As a practical matter, legislatures will not consider such changes absent unusual circumstances.
7 - Q7 Standard CF9.0a What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q6 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
29. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
30. Liberty Mutual Insurance Group	USA	Liberty Mutual’s group wide supervisor has authority over the statutory insurance entities that are domiciled in the supervisor’s jurisdiction. Expanding the scope of the supervisor’s authority to assess compliance by the entire Liberty Mutual group would likely require the expenditure of tens of millions of	

		U.S. dollars to develop appropriate internal reporting systems without concomitant benefits to the businesses for the reasons discussed in our response to Q.2.	
8 - Q8 Standard CF9.0a What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q6 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
31. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
32. Chubb	United States	ComFrame has created a focus on group supervision including new tools such as the supervisory college and the ORSA. Lessons learned following the financial crisis led to new requirements such as the group ORSA, identification of a group supervisor and supervisory colleges as part of local law separate and apart from ComFrame. Chubb supports these new supervisory tools that allow key supervisors to cooperate and collaborate to obtain a better understand of our worldwide group and our risk management framework. It is difficult to designate costs expended on these group-wide tools as being attributed to ComFrame because the need to review group-wide activity is now embedded in local law. Chubb expends considerable time and money focusing on group wide governance, risk management and capital and the associated reporting and interactions with supervisors,	

		including on the supervisory college. Our view is that the dialogue created through the ComFrame work has had the intended impact of focusing supervisors and IAIGs on group activity and has appropriately informed local regulation. We do not believe that prescriptive global requirements are necessary or implementable and recommend that the emphasis shift to improving on the tools developed at the local jurisdiction and supervisory cooperation.	
33. Liberty Mutual Insurance Group	USA	It is not possible to estimate the costs because the increased scope of the group wide supervisor's authority to carry out the suggested supervisory review of Liberty Mutual at the group level is so far beyond current authority.	
9 - Q9 Standard CF9.0a Please provide the assumptions made to estimate the one-time costs (Q7) and the ongoing costs per year (Q8).			
34. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
35. Liberty Mutual Insurance Group	USA	As noted above, this standard is such an extraordinary expansion of the group wide supervisor's authority that it is not possible to identify the assumptions required to develop an estimate.	
10 - Q10 Standard CF9.0a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			

11 - Q11 Comment on Standard CF9.0b			
37. General Insurance Association of Japan	Japan	No benefit	As supervisory colleges are already in place for major insurers, there is no benefit to setting this standard.
38. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
39. Liberty Mutual Insurance Group	USA	No benefit	No public policy grounds have been articulated to justify providing a group-wide supervisor with authority over the entire Liberty Mutual group.
40. Insurance Europe	Europe	Insurance Europe agrees. However, it would further be helpful if IAIS could include a clarification of who (or what) is meant by 'Head of IAIG'. Insurance Europe appreciates nonetheless that the IAIS Insurance Groups Working Group may be progressing work on this issue in parallel, and therefore the IAIS may not be able to provide more detail at this stage.	
41. Allianz	Germany	The wording "ensuring that the relevant legislation and supervisory requirements... are met" should be replaced by "ensuring that the relevant legal and supervisory requirements... are met".	
42. Association of British Insurers	United Kingdom	The term 'Head of the IAIG' should be defined so that it is clear what this is referring to, as it was in the 2014 version of ComFrame. For example, if the glossary term 'Head of the Insurance Group' is the applicable definition, engagement would be with the legal entity, but it may be more appropriate for this to be with the Board or other senior-level representatives.	
43. Institute of International Finance/Geneva Association	United States/Switzerland and	We would like the term 'Head of the IAIG' be defined so that it is clear what is being referred to.	
44. CNA	USA	Although ICP 23, Group-Wide Supervision, has not been updated to incorporate the new ComFrame text, we recommend that the definition of the Head of the IAIG be consistent with Head of the Insurance Group as outlined in ICP 23.	
45. Liberty Mutual Insurance Group	USA	Group-wide insurance supervisors are, and should remain, focused on statutory insurance entities, first and foremost. Group wide supervision can be more effectively achieved through coordination among involved supervisors and assessing the group using an aggregate analysis of its operating insurance entities. Providing insurance supervisors with expanded direct authority at the group level is unnecessary and would impose significant additional costs on insurance groups, as discussed in our response to Q2. These costs would ultimately be borne by the policyholders, who would not receive a benefit that justifies the cost.	
12 - Q12 Standard CF9.0b			

Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame? Single Choice Question.

47. General Insurance Association of Japan	Japan	Yes	The group-wide supervisor assesses whether the relevant legislation and supervisory requirements which apply at the level of the IAIG are met.
48. Liberty Mutual Insurance Group	USA	No	There are no legislation and supervisory requirements which apply at the level of the IAIG other than certain limited reporting requirements.

13 - Q13 Standard CF9.0b
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q12 that would have to be made solely for purposes of ComFrame (please specify the currency)?

49. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
50. Liberty Mutual Insurance Group	USA	The costs of implementing this are not possible to estimate given the radical change this standard would require to the authority of the group wide supervisor.	

14 - Q14 Standard CF9.0b
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q12 that would have to be made solely for purposes of ComFrame (please specify the currency)?

51. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
52. Liberty Mutual Insurance Group	USA	The ongoing costs are impossible to estimate given the radical change this standard would require to the authority of the group wide supervisor.	

15 - Q15 Standard CF9.0b
Please provide the assumptions made to estimate the one-time costs (Q13) and the ongoing costs per year (Q14).

53. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
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54. Liberty Mutual Insurance Group	USA	It is not possible to identify the assumptions given the radical change this standard would require to the authority of the group wide supervisor.	
16 - Q16 Standard CF9.0b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
56. General Insurance Association of Japan	Japan	No benefit	As supervision at the group level is already in place, there is no benefit of setting this standard.
57. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
58. Liberty Mutual Insurance Group	USA	No benefit	
38 - Q38 Comment on Standard CF9.2a			
113. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	The group-wide supervisory plan and risk assessment should be part of the supervisory college. This provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss it with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies.	
114. Insurance Europe	Europe	An annual frequency for the risk assessment for all IAIG is not necessary. The determination of the frequency should be risk-based and hence set according to the individual risk profile.	
115. GDV - German Insurance Association	Germany	Insurance Europe believes the group-wide supervisory plan and risk assessment should be undertaken as part of the supervisory college. This provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss the plan with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies. GDV believes that an annual frequency for the risk assessment for all IAIG is not necessary. It should be determined risk-orientated according to the individual risk profile.	

<p>116. Global Federation of Insurance Associations</p>	<p>Global</p>	<p>CF9.2a – Change “at least annually” to “periodically, as needed”. Thus, alternative language should read:</p> <p>“The group-wide supervisor’s supervisory plan for an IAIG includes a group-wide risk assessment which is conducted periodically as deemed necessary by the group-wide supervisor.”</p> <p>Add the sentence: “Any distribution of the results of the group-wide risk assessment should be subject to the jurisdiction’s confidentiality requirements”.</p> <p>The group-wide supervisory plan and risk assessment should be part of the supervisory college, which provides the best forum for exploring this assessment and receiving feedback from the other supervisors. It also allows the IAIG to discuss the assessment with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies.</p>
<p>117. Insurance Ireland</p>	<p>Ireland</p>	<p>The group- wide supervisory plan and risk assessment should be part of the supervisory college. This provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss it with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further quantifiable burdens and expense on the IAIG and its companies.</p>
<p>118. Canadian Institute of Actuaries</p>	<p>Ontario</p>	<p>It is not clear what “group-wide risk assessment ... conducted at least annually” means. The sub-points go on to say to “consider” IAIG’s ORSA, and CF9.2b provides more detail on what the risk assessment should include. It seems that an “at least annual” review of all these items may be more than is truly intended or than can be expected. We suggest clarifying that the focus of the “annual” review would be on changes in the past year either within the IAIG or external to the IAIG but which affect the IAIG, and that reliance can be placed on findings of deep-dive reviews conducted in recent prior years in conducting the “annual reviews”. This comment should be taken to apply as well to paragraph 10.3.5 and in general when frequency of supervisory activity is discussed in this document.</p>
<p>119. Association of British Insurers</p>	<p>United Kingdom</p>	<p>The ABI considers that the group-wide supervisory plan and risk assessment should be undertaken as part of the supervisory college. This provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss the plan with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies.</p>

120. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>The group-wide supervisory plan and risk assessment should be part of the supervisory college. This provides the best forum within which to explore this assessment and receive feedback from the other supervisors. Timing of the group-wide assessment should be left to the discretion of the supervisory college based on discussions with IAIG management. Hence we propose to amend this standard as follows:</p> <p>The group-wide supervisor's supervisory plan for an IAIG includes a group-wide risk assessment which is conducted periodically as deemed necessary by the group-wide supervisor and supervisory college.</p>
121. ACLI	US	<p>Consistent with the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we suggest that the timing of the group-wide assessment be left to the discretion of the group-wide supervisor based on discussions with IAIG management. Therefore the high-level standard should be amended to read: "The group-wide supervisor's supervisory plan for an IAIG includes a group-wide risk assessment which is conducted periodically as deemed necessary by the group-wide supervisor."</p>
122. American Insurance Association	USA	<p>The group-wide supervisory plan and risk assessment should be part of the supervisory college, which provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss the assessment with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies.</p> <p>AIA recommends changing "at least annually" to "periodically, as needed" and add the sentence: "Any distribution of the results of the group-wide risk assessment should be subject to the jurisdiction's confidentiality requirements".</p>
123. MetLife, Inc	USA	<p>CF9.2a5 states in part that "Peer-group analysis should be subject to confidentiality requirements."</p> <p>Section 9 and all other ComFrame sections that suggest sharing of information among supervisors should incorporate by reference the standards and guidance set out in ICP 3 (Information Sharing and Confidentiality), reinforcing the need for supervisors to be held responsible for ensuring the safe handling of information they may transmit or receive from another supervisor. Please also see our suggested addition of Confidentiality as an Overarching Concept to the Introduction to the ICPs and ComFrame (Q. 19 and Q.20 of Introduction).</p> <p>Consistent with the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we suggest that the timing of the group-wide assessment be left to the discretion of the group-wide supervisor based on discussions with IAIG management. Therefore the high level standard should be amended to read</p> <p>--"The group-wide supervisor's supervisory plan for an IAIG includes a group-wide risk assessment which is conducted periodically as deemed necessary by the group-wide supervisor."</p>

124. Property Casualty Insurers Association of America (PCI)	USA	<p>CF9.2a5 states in part that “Peer-group analysis should be subject to confidentiality requirements.” Section 9 and all other ComFrame sections that suggest sharing of information among supervisors should incorporate by reference the standards and guidance set out in ICP 3 (Information Sharing and Confidentiality), reinforcing the need for supervisors to be held responsible for ensuring the safe handling of information they may transmit or receive from another supervisor.</p> <p>Consistent with the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we suggest that the timing of the group-wide assessment be left to the discretion of the group-wide supervisor based on discussions with IAIG management. Therefore the high level standard should be amended to read: "The group-wide supervisor’s supervisory plan for an IAIG includes a group-wide risk assessment which is conducted periodically as deemed necessary by the group-wide supervisor."</p>	
<p>39 - Q39 Standard CF9.2a Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?</p>			
126. General Insurance Association of Japan	Japan	Partially	Through insurers’ ORSA and other means, group-wide risk assessment is conducted to some extent.
127. Liberty Mutual Insurance Group	USA	Partially	A group wide Enterprise Risk Management report is prepared. However, there are no inputs from the supervisory process, as this standard pre-supposes will occur.
<p>40 - Q40 Standard CF9.2a What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q39 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>			
128. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
129. Liberty Mutual Insurance Group	USA	None.	
<p>41 - Q41 Standard CF9.2a What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q39 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>			

130. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
131. Liberty Mutual Insurance Group	USA	It is not possible to anticipate the impact of having to develop an ERM with “inputs from the supervisory process.”	
42 - Q42 Standard CF9.2a			
Please provide the assumptions made to estimate the one-time costs (Q40) and the ongoing costs per year (Q41).			
132. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
43 - Q43 Standard CF9.2a			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
134. General Insurance Association of Japan	Japan	Reasonably beneficial	To some degree, it is beneficial to conduct group-wide risk assessment through measures such as the IAIG’s ERM at its discretion and its ORSA based on the ERM. However, it is overly burdensome for the IAIG to implement all the requirements of CF9.2a.
135. Canadian Institute of Actuaries	Ontario	Very beneficial	
136. Liberty Mutual Insurance Group	USA	No benefit	An insurer does not need “inputs from the supervisory process” to develop an effective ERM process to present to supervisors.
44 - Q44 Comment on Guidance CF9.2a.1			
45 - Q45 Comment on Guidance CF9.2a.2			
137. Institute of International Finance/Geneva Association	United States/Switzerl and	It is not clear why the Risk Management Framework and the ORSA are separately called out in this standard. The Framework will generally require an ORSA, and the ORSA will usually have a section discussing the Framework. We would suggest rewording this standard as follows: The group-wide supervisor should consider the results of the IAIG’s enterprise risk management framework	
138. ACLI	US	It is not clear to us why the Risk Management Framework and the ORSA are separately called out in this standard. In our experience, the Framework will generally require an ORSA, and the ORSA will usually have a section	

		discussing the Framework. We would suggest rewording this standard as follows: "The group-wide supervisor should consider the results of the IAIG's enterprise risk management framework."
139. MetLife, Inc	USA	<p>It is not clear to us why the Risk Management Framework and the ORSA are separately called out in this standard. In our experience, the Framework will generally require an ORSA, and the ORSA will usually have a section discussing the Framework. We would suggest rewording this standard as follows:</p> <p>The group-wide supervisor should consider the results of the IAIG's enterprise risk management framework</p>
140. Property Casualty Insurers Association of America (PCI)	USA	<p>It is not clear to us why the Risk Management Framework and the ORSA are separately called out in this standard. In our experience, the Framework will generally require an ORSA, and the ORSA will usually have a section discussing the Framework. We would suggest rewording this standard as follows:</p> <p>"The group-wide supervisor should consider the results of the IAIG's enterprise risk management framework."</p>
46 - Q46 Comment on Guidance CF9.2a.3		
141. Association of British Insurers	United Kingdom	The ABI considers that any information on risks that is provided by a local supervisor to the group-wide supervisor should be subject to confidentiality requirements, and this Guidance should make this clear.
142. Chubb	United States	We agree that the group supervisor should use the existing tools such as the ERM Framework and Group ORSA as a way to assess group risk and that input from legal entity supervisors is relevant. The goal should be to use the college process as a way to obtain the entity level information from those supervisors in an efficient manner rather than requesting information on an ad hoc basis from the IAIG. Whenever possible, existing reports should be utilized rather than creating new reporting requirements for IAIGs.
47 - Q47 Comment on Guidance CF9.2a.4		
143. Insurance Europe	Europe	Insurance Europe agrees so long as the information from these entities is relied upon only for the fulfilment of the supervisory tasks of the group supervisor and is subject to the requirement of professional secrecy.

144. Global Federation of Insurance Associations	Global	<p>To distinguish between overarching prudential rules and related analysis, we would suggest use of the word macro-economic when referring to analysis and that Section CF 9.2a.4 be re-worded as follows:</p> <p>“The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct supervision of the IAIG (e.g., macroeconomic analysis, anti-money laundering or combatting the financing of terrorism inputs).”</p>
145. Association of British Insurers	United Kingdom	Information sharing between the group-wide and other relevant supervisors should be subject to confidentiality requirements, and this Guidance should make this clear. Inputs should only be used for the proper purpose of supervision by the group-wide supervisor.
146. Chubb	United States	We do not know what is meant by “relevant supervisors not involved in the direct supervision of the IAIG” or specifically “supervisors” involved in anti-money laundering or other listed activities. The focus of insurance supervisors should be on the solvency and market conduct of insurers and assessing group-wide risk and not on assessing every potential area of conduct of business of an IAIG. Other agencies in the U.S., such as the SEC or Department of Justice, are primarily responsible for a host of issues regarding a vast array of conduct and it is confusing and duplicative for insurance supervisors to try to supervise these areas of conduct.
147. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>To distinguish between overarching prudential rules and related analysis, we would suggest use of the word macro-economic when referring to analysis and that Section CF 9.2a4 be reworded as follows:</p> <p>The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct supervision of the IAIG (e.g., macroeconomic analysis, anti-money laundering or combatting the financing of terrorism inputs).</p>
148. ACLI	US	To distinguish between overarching prudential rules and related analysis, we would suggest use of the word macro-economic when referring to analysis and that Section CF 9.2a4 be reworded as follows: “The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct supervision of the IAIG (e.g., macroeconomic analysis, anti-money laundering or combatting the financing of terrorism inputs).”

149. MetLife, Inc	USA	<p>To distinguish between overarching prudential rules and related analysis, we would suggest use of the word macro-economic when referring to analysis and that Section CF 9.2a.4 be reworded as follows:</p> <p>--"The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct supervision of the IAIG (e.g., macroeconomic analysis, anti-money laundering or combating the financing of terrorism inputs). "</p>
150. Property Casualty Insurers Association of America (PCI)	USA	<p>To distinguish between overarching prudential rules and related analysis, we would suggest use of the word "macroeconomic" when referring to analysis and that Section CF 9.2a4 be reworded as follows:</p> <p>"The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct supervision of the IAIG (e.g., macroeconomic analysis, anti-money laundering or combatting the financing of terrorism inputs)."</p>
48 - Q48 Comment on Guidance CF9.2a.5		
151. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	<p>It is challenging to be identified within a peer group – what are the criteria? It is unclear what tools the group-wide supervisor will have at its disposal to conduct a peer-group analysis. This lack of clarity could be problematic for an IAIG as it is suggested that the IAIG will be compared to groups of a similar nature and size with similar risks and yet those comparisons may not be accurate or relevant. Further, the language provides that the analysis "should be subject to confidentiality requirements."</p>

152. Insurance Europe	Europe	<p>Insurance Europe agrees there may be value in supervisors undertaking peer-group analysis, but this Guidance should warn supervisors against using inappropriate comparators when undertaking peer-group analysis. Unnecessary harmonisation of risk management would be undesirable in an industry that depends on diversification, and peer-group analysis should not be an opportunity for supervisors to impose uniform risk assessments and business models.</p> <p>It is also unclear how a supervisor would identify who appropriate peers are, in order to undertake a peer-group analysis. This would seem to be particularly difficult given the IAIGs will operate in different jurisdictions, facing different risks. When identifying peer groups the comparators must be accurate and relevant.</p> <p>Insurance Europe also recommends amending the second sentence to say “Peer –group analysis must be subject to confidentiality requirements”</p>
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<p>153. Global Federation of Insurance Associations</p>	<p>Global</p>	<p>Peer-Group Analysis --</p> <p>It is unclear what tools the group-wide supervisor will have at its disposal to conduct a peer-group analysis. This lack of clarity could be problematic for an IAIG, as it is suggested that the IAIG will be compared to groups of a similar nature and size with similar risks; yet, those comparisons may not be accurate or relevant, since no two IAIGs will be alike to differences in geographical reach and business mix. GFIA believes this guidance should be deleted from ComFrame.</p> <p>If this peer group analysis language is retained, the analysis “should be subject to confidentiality requirements.” This language should be changed to “must be subject to...” In order to eliminate any potential confusion with the word “should.”</p> <p>CF9.2a5 states in part that “Peer-group analysis should be subject to confidentiality requirements.” Section 9 and all other ComFrame sections that suggest sharing of information among supervisors should incorporate by reference the standards and guidance set out in ICP 3 (Information Sharing and Confidentiality), reinforcing the need for supervisors to be held responsible for ensuring the safe handling of information they may transmit or receive from another supervisor.</p>
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154. Insurance Ireland	Ireland	It is challenging to be identified with a peer group- what are the criteria? It is unclear what tools the group-wide supervisor will have at its disposal to conduct a peer-group analysis. This lack of clarity could be problematic for an IAIG as it is suggested that the IAIG will be compared to groups of a similar nature and size with similar risks and yet those comparisons may not be accurate or relevant. Further, the language provides that the analysis "should be subject to confidentiality requirements".
155. Association of British Insurers	United Kingdom	<p>While the ABI agrees there may be value in supervisors undertaking peer-group analysis, this Guidance should explicitly warn supervisors against using inappropriate comparators when undertaking peer-group analysis. Unnecessary harmonisation of risk management would be undesirable in an industry that depends on diversification, and peer-group analysis should not be an opportunity for supervisors to impose uniform risk assessments and business models.</p> <p>It is also unclear how a supervisor would identify who appropriate peers are, in order to undertake a peer-group analysis. This would seem to be particularly difficult given the IAIGs will operate in different jurisdictions, facing different risks. When identifying peer groups, the comparators must be accurate and relevant.</p> <p>The ABI recommends amending the second sentence to say 'Peer-group analysis must be subject to confidentiality requirements.'</p>
156. Chubb	United States	We do not see the value or propriety of the group-wide supervisor conducting a peer analysis. The role should be limited to assessing the particular IAIG independently to determine whether it is adequately managing group risk, capital and governance suited to its unique business portfolio and model. We are concerned that a group supervisor could review our risk management framework and determine that our approach to an emerging risk, such as cyber, is more refined or robust than that of one of our competitors and decide to share our proprietary approach. Each IAIG is unique and has its own risk appetite and develops its own innovations in risk management that are confidential. The group supervisor role is not to share all of the IAIG best practices and innovations among all IAIGs, even if to do so could arguably lead to better global risk management. Supervisor's sole focus should be on whether an individual IAIG is adequately managed and capitalized so that it can meet its obligations to its policyholders, not to maximize performance of all in the sector. We feel very strongly that as supervisors receive more information regarding risk management decisions and forward looking assumptions, much care must be taken to ensure confidentiality.
157. Institute of International Finance/Geneva Association	United States/Switzerland and	It is challenging to be identified within a peer group – what are the criteria? It is unclear what tools the group-wide supervisor will have at its disposal to conduct a peer-group analysis. This lack of clarity could be problematic for an IAIG as it is suggested that the IAIG will be compared to groups of similar nature and size with similar risks and yet those comparisons may not be accurate or relevant. Hence we would like to ask the IAIS to provide clarification on how such peer-group analysis is to be conducted.

158. ACLI	US	We would suggest that such peer group analysis will be of little value, especially if based on information available in the public domain, and that this standard be deleted. Any given jurisdiction will likely have only a few IAIGs, perhaps with very different business models (P&C vs. Life, for example), which would result in a lack of comparable elements
159. American Insurance Association	USA	It is unclear what tools the group-wide supervisor will have at its disposal to conduct a peer-group analysis. This lack of clarity could be problematic for an IAIG, as it is suggested that the IAIG will be compared to groups of a similar nature and size with similar risks; yet, those comparisons may not be accurate or relevant, since no two IAIGs will be alike to differences in geographical reach and business mix. Further, the language provides that the analysis “should be subject to confidentiality requirements.” If this group analysis tool is adopted, this language should be changed to “must be subject to....” In order to eliminate any potential confusion with the word “should.”
160. MetLife, Inc	USA	We would suggest that such peer group analysis will be of little value, especially if based on information available in the public domain, and that this standard be deleted. Any given jurisdiction will likely have only a few IAIG’s, perhaps with very different business models (P&C vs. Life, for example), which would result in a lack of comparable elements.
161. Property Casualty Insurers Association of America (PCI)	USA	Given the significant differences between the ways IAIGs are structured and the jurisdictions in which they do business, we strongly question the appropriateness of peer group analysis. Supervisory colleges and experience should allow supervisors to share information on business models, business structures and risk profiles. Any given jurisdiction is also likely to have only a few IAIGs, perhaps with very different business models, (P/C vs. life, for example) which would minimize comparability.
49 - Q49 Comment on Standard CF9.2b		
162. Insurance Europe	Europe	The second bullet point requires some context to indicate that it is material inter-linkages between regulated and non-regulated entities that the supervisors risk assessment should focus on. Insurance Europe proposes that the second bullet point is amended as follows: • ‘Material inter-linkages between regulated entities and non-regulated and non-financial entities within the IAIG’.
163. Global Federation of Insurance Associations	Global	The group-wide supervisor’s group-wide risk assessment of the IAIG includes, at a minimum:

		<p>Consistent with the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we would suggest the high level standard be reworded as follows.</p> <p>The group-wide supervisor's group-wide risk assessment of the IAIG may include:</p> <p>In addition, we have the following comments on bullets under this high level standard:</p> <ul style="list-style-type: none"> • the complexity of the IAIG group structure and the resultant risk; We suggest a reference to 9.2b1 • a review of the IAIG's approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk; We suggest that if the group wide supervisor considers "distribution risk" to be material in and of itself, it should be considered separately, under its own bullet. As written, the standard could be misinterpreted to mean the supervisor is to review the business model vs the risks it may incur. • the macro-prudential environment in which the IAIG operates; We suggest this bullet be reworded as follows: • the macro-economic environment in which the IAIG operates • an assessment of the potential impact that the IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole. We suggest this bullet be re-worded as follows: • a vulnerability assessment to understand the potential and most likely sources of financial stress to the insurer, and whether those stresses have transmission vectors that could give rise to meaningfully increased risk to the financial markets, or to the firm's ability to satisfy its own obligations.
<p>164. General Insurance Association of Japan</p>	<p>Japan</p>	<p>The group-wide supervisor's group-wide risk assessment of an IAIG should be conducted in consideration of factors such as the size, complexity, and nature of the IAIG's businesses as well as its financial soundness. Therefore, a uniform requirement on components of the assessment is unnecessary, and we suggest revising "at a minimum" in the first sentence to "when necessary". Even if such a revision is made, the list here is too detailed for a standard, and should be moved to a guidance level.</p> <p>In addition, we have the following concerns about the listed matters:</p> <ul style="list-style-type: none"> - As "the capital adequacy to meet the regulatory capital requirements for each insurance legal entity within the IAIG" should be confirmed by the jurisdictional supervisor, it is inappropriate to include this in the regulatory group-wide risk assessment.

		<p>- "A review of the IAIG's approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk" is premised on centralised governance structures. With consideration given to a more decentralised ones, this bullet point should be deleted.</p> <p>- Clarification is needed if "adequacy" indicates "capital adequacy".</p> <p>- As for "an assessment of the potential impact that an IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole", if this intends to have IAIGs assess these elements as part of their ORSA, we oppose such an intention. Rather, the assessment should be conducted by the supervisor.</p>
165. Canadian Institute of Actuaries	Ontario	Clarify what is meant by and/or reconsider the appropriateness of "a review of the IAIG's approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk" in this list.
166. Association of British Insurers	United Kingdom	<p>The second bullet point should indicate that it is material inter-linkages between regulated and non-regulated entities that the supervisors risk assessment should focus on. The ABI therefore proposes that the second bullet point is amended as follows:</p> <p>'Material inter-linkages between regulated entities and non-regulated and non-financial entities within the IAIG'.</p> <p>We are concerned about the inclusion of the 'macro-prudential environment in which the IAIG operates' as a factor in the group-wide supervisor's group risk assessment (sixth bullet point), as this is a broad concept and its inclusion introduces uncertainty as to what factors will be considered and are relevant for the group-wide risk assessment.</p> <p>The inclusion of 'the potential impact that the IAIG's failure would have' (eleventh bullet point) duplicates the assessment undertaken in relation to resolution planning, and is out of place in the context of the going-concern group-wide risk assessment. We suggest this bullet point be deleted.</p>
167. Chubb	United States	This requires the group-wide supervisor to assess the adequacy of capital to meet group-wide capital requirements; however, all jurisdictions do not have a group capital requirement. In the U.S. the approach being developed establishes a group capital assessment. ComFrame is not self-executing and should not develop standards which assume that all jurisdictions will adopt the currently contemplated Insurance Capital Standard but rather should provide guidance for jurisdictions to follow when adopting their own approach to group capital. This will be a more practical and implementable approach.
168. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>Consistent with the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we would suggest the high level standard to be reworded as follows:</p> <p>The group-wide supervisor's group-wide risk assessment of the IAIG may include:</p> <p>In addition, we have the following comments on the bullet points:</p>

		<ul style="list-style-type: none"> • On the second bullet, some content is needed that it is material inter-linkages between regulated and non-regulated entities that the supervisors risk assessment should focus on. We would therefore propose to amend as follows: “Material inter-linkages between regulated entities and non-regulated and non-financial entities within the IAIG” • On the 6th bullet-point (the macro-prudential environment...) we suggest to reword: “the macroeconomic environment in which the IAIG operates” • On the 7th bullet-point (a review of the IAIG’s approach to its legal and...), we suggest that if the group wide supervisor considered “distribution risk” to be material in and of itself, it should be considered separately, under its own bullet. As currently written, the standard could be misinterpreted to mean the supervisor is to review the business model vs the risks it may incur. • On the 11th bullet-point: we suggest to reword as follows: “a vulnerability assessment to understand the potential and most likely sources of financial stress to the insurer and whether those stresses have transmission vectors that could give rise to meaningfully increased risk to the financial markets, or to the firm’s ability to satisfy its own obligations”.
169. ACLI	US	<p>Consistent with our comment in Q.38 above regarding the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we would suggest the high-level standard be reworded as follows. “The group-wide supervisor’s group-wide risk assessment of the IAIG may include...”</p> <p>In addition, we have the following comments on bullets under this high-level standard. The bullet “the complexity of the IAIG group structure and the resultant risk” should include a reference to 9.2b1 (see also our comments on 9.2b1). The bullet “a review of the IAIG’s approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk” could be misinterpreted to mean that the supervisor is to review the business model vs the risks it may incur. We suggest that if the group wide supervisor considered “distribution risk” to be material in and of itself, it should be considered separately, under its own bullet. We suggest that the bullet “the macro-prudential environment in which the IAIG operates” be replaced with the phrase “the macro-economic environment in which the IAIG operates.” We suggest that the bullet “an assessment of the potential impact that the IAIG’s failure would have on policyholders, the insurance market, and the financial markets as a whole” be revised to read “a vulnerability assessment to understand the potential and most likely sources of financial stress to the insurer and whether those stresses have transmission vectors that could give rise to meaningfully increased risk to the financial markets, or to the firm’s ability to satisfy its own obligations.”</p>
170. American Insurance Association	USA	If the ICS is intended to measure capital adequacy, then clarification is needed regarding the phrase “availability of capital to meet group-wide capital requirements”. This phrase suggests a fungibility concept, which IAIS has not yet discussed or defined.
171. Liberty Mutual Insurance Group	USA	The list of factors the group-wide supervisor should consider is unreasonably broad and presume a certain level of systemic risk is present in all IAIGs. More specifically, there are “no group wide capital requirements” under existing law in the U.S. There are certain limited “legal and regulatory obligations” at the group level, but no authority exists for supervisors to require changes to address the effectiveness of the IAIG’s “corporate

		governance framework." The IAIS should not propose standards that cannot be reconciled with current legal authority of supervisors in each jurisdiction.
172. MetLife, Inc	USA	<p>Consistent with our comment in Q.38 above regarding the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we would suggest the high level standard be reworded as follows.</p> <p>-- "The group-wide supervisor's group-wide risk assessment of the IAIG may include:"</p> <p>In addition, we have the following comments on bullets under this high level standard:</p> <ul style="list-style-type: none"> • the complexity of the IAIG group structure and the resultant risk; <p>We suggest a reference to CF 9.2b.1.</p> <ul style="list-style-type: none"> • a review of the IAIG's approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk; <p>We suggest that if the group wide supervisor considered "distribution risk" to be material in and of itself, it should be considered separately, under its own bullet. As written, the standard could be misinterpreted to mean the supervisor is to review the business model vs the risks it may incur.</p> <ul style="list-style-type: none"> • the macro-prudential environment in which the IAIG operates <p>Consistent with our comment at Q. 47 above, we suggest this bullet be reworded as follows:</p> <p>-- "the macro-economic environment in which the IAIG operates"</p> <ul style="list-style-type: none"> • an assessment of the potential impact that the IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole. <p>We suggest this bullet be reworded as follows:</p> <p>-- "a vulnerability assessment to understand the potential and most likely sources of financial stress to the insurer and whether those stresses have transmission vectors that could give rise to meaningfully increased risk to the financial markets, or to the firm's ability to satisfy its own obligations."</p>

<p>173. Property Casualty Insurers Association of America (PCI)</p>	<p>USA</p>	<p>This analysis is certainly appropriate, but should be limited to material operations or entities. Consistent with our comment regarding Standard 9.2a above regarding the need for ComFrame standards and guidance to be subject to supervisory discretion and the principle of proportionality, we would suggest the high level standard be reworded as follows. "The group-wide supervisor's group-wide risk assessment of the IAIG may include:"</p> <p>In addition, we have the following comments on bullets under this high level standard:</p> <ul style="list-style-type: none"> • the complexity of the IAIG group structure and the resultant risk; <p>We suggest a reference to 9.2b1 (see also our comments on 9.2b1)</p> <ul style="list-style-type: none"> • a review of the IAIG's approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk; <p>We suggest that if the group wide supervisor considered "distribution risk" to be material in and of itself, it should be considered separately, under its own bullet. As written, the standard could be misinterpreted to mean the supervisor is to review the business model vs the risks it may incur.</p> <ul style="list-style-type: none"> • the macro-prudential environment in which the IAIG operates <p>Consistent with our comment at Q. 47 above, we suggest this bullet be reworded as follows:</p> <ul style="list-style-type: none"> • "the macro-economic environment in which the IAIG operates" <ul style="list-style-type: none"> • an assessment of the potential impact that the IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole. <p>We suggest this bullet be reworded as follows:</p> <ul style="list-style-type: none"> • "a vulnerability assessment to understand the potential and most likely sources of financial stress to the insurer and whether those stresses have transmission vectors that could give rise to meaningfully increased risk to the financial markets, or to the firm's ability to satisfy its own obligations." <p>In the eighth bullet, delete "adequacy and". Assessing the soundness of the IAIG's ERM is more consistent with the supervisor's responsibility to assess the risk associated with these items and then engaging in a conversation with the IAIG to determine how the group is addressing the risk.</p> <p>The last bullet should be deleted; such an assessment should only be considered if the risks are sufficiently high to suggest an insolvency may occur rather than performed on an annual basis.</p> <p>The last bullet should be deleted; such an assessment should only be considered if the risks are sufficiently high to suggest an insolvency may occur rather than performed on an annual basis.</p>
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50 - Q50 Standard CF9.2b			
Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
175. General Insurance Association of Japan	Japan	Partially	Through insurers’ ORSA and other means, group-wide risk assessment is conducted to some extent.
176. Liberty Mutual Insurance Group	USA	No	
51 - Q51 Standard CF9.2b			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q50 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
177. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
178. Liberty Mutual Insurance Group	USA	This standard would require an extensive expansion of supervisory authority over an IAIG. It is not possible to determine the cost of compliance.	
52 - Q52 Standard CF9.2b			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q50 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
179. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
180. Liberty Mutual Insurance Group	USA	This standard would require a significant expansion of supervisory authority over an IAIG. It is not possible to determine what the costs of complying with it would be, but certainly in the tens of millions of dollars.	
53 - Q53 Standard CF9.2b			
Please provide the assumptions made to estimate the one-time costs (Q51) and the ongoing costs per year (Q52).			

181. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
182. Liberty Mutual Insurance Group	USA	This standard would require a significant expansion of supervisory authority over an IAIG. It is not possible to determine what assumptions are required to estimate the costs of complying with it..	
54 - Q54 Standard CF9.2b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
184. General Insurance Association of Japan	Japan	Reasonably beneficial	To some degree, it is beneficial to conduct group-wide risk assessment through measures such as the IAIG's ERM at its discretion and its ORSA based on the ERM. However, it is overly burdensome for the IAIG to implement all the requirements of CF9.2b.
185. Canadian Institute of Actuaries	Ontario	Very beneficial	
186. Liberty Mutual Insurance Group	USA	No benefit	This standard requires insurers to comply with a broad expansion of supervisory power over the IAIG at the group level without any justification in terms of benefits to policyholders.
55 - Q55 Comment on Guidance CF9.2b.1			
187. Global Federation of Insurance Associations	Global	<p>Having operations that span different financial sectors does not necessarily lead to a complex operating structure, as is suggested by the current wording.</p> <p>The 3rd bullet suggests that intragroup or off-balance sheet transactions may "result in a circumvention of sectorial regulatory requirements". This language is pejorative and implies that supervisory measures should be applied even if the insurer complies with all requirements.</p>	
188. General Insurance Association of Japan	Japan	While this guidance is premised on development of recovery and resolution plans, insurers do not have payment and settlement systems, and their systemic risk is relatively small compared to that of banks. Therefore, it is unnecessary to require development of these plans for all IAIGs, including those that have not even been designated as SIFIs. The scope should be limited to specified conditions when concerns regarding financial	

		soundness arise, for example, when an IAIG’s ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
189. Association of British Insurers	United Kingdom	Where an IAIG has operations spanning different financial sectors, this does not necessarily lead to a complex operating structure, as is suggested by the current wording.
190. National Association of Mutual Insurance Companies	United States	<p>Q55 Comment on Guidance CF9.2b.1</p> <p>Having operations that span different financial sectors does not necessarily lead to a complex operating structure, as is suggested by the current wording.</p> <p>The 3rd bullet suggests that intragroup or off-balance sheet transactions may “result in a circumvention of sectorial regulatory requirements”. This language is pejorative and implies that supervisory measures should be applied even if the insurer complies with all requirements.</p>
191. ACLI	US	The 3rd bullet suggests that intragroup or off-balance sheet transactions may “result in a circumvention of sectorial regulatory requirements”. This language is pejorative and implies that supervisory measures should be applied even if the insurer complies with all requirements.
192. American Insurance Association	USA	The 3rd bullet suggests that intragroup or off-balance sheet transactions may “result in a circumvention of sectorial regulatory requirements”. This language is pejorative and implies that supervisory measures should be applied even if the insurer complies with all requirements. It also makes a subjective conclusion without any factual basis. AIA recommends deleting everything in the bullet except the last sentence, which begins with “The groupwide supervisor should evaluate . . .”
193. Property Casualty Insurers Association of America (PCI)	USA	Much of this guidance is far too prescriptive and suggests a level of supervision that is not appropriate given it “steps into the shoes of management.” This guidance should be reworded accordingly; for example, remove words such as evaluating “adequacy” and replace with words such as assessing the “residual risks” of what is left after management has addressed in the way it has. It is appropriate for supervisors to consider any risk within the group and consider that in its overall risk assessment, but the language utilized as drafted goes beyond that.
194. Insurance Europe	Europe	Insurance Europe proposes that the wording is amended as follows to ensure that a proportional approach is taken that focuses on understanding any dependencies between regulated and unregulated entities:

		<p>'In conducting the group-wide risk assessment, the group-wide supervisor should also take into consideration the activities undertaken by non-regulated entities within the IAIG. If significant risk has been transferred from regulated to unregulated entities in a group, supervisors of the regulated entities should look to understand the dependencies of the regulated entities on the unregulated entity.'</p>
195. Global Federation of Insurance Associations	Global	<p>(1) GFIA suggests rewording "Non-regulated entities' contribution to group capital adequacy could be assessed by calculation of a proxy capital requirement as if the entity were regulated or through deduction of the group's interest in the unregulated entity" as follows:</p> <p>Non-regulated entities should be assessed for the potential impact on the capital adequacy of the group, considering the effectiveness of their legal separation and potential contagion within the group.</p> <p>(2) The second bullet point should include some context to indicate that the supervisor's risk assessment should focus on material inter-linkages between regulated and non-regulated entities. We propose that the second bullet point is amended as follows:</p> <p>'Material inter-linkages between regulated entities and non-regulated and non-financial entities within the IAIG'</p> <p>(3) We suggest that this Guidance be amended to focus on understanding the dependencies between regulated and unregulated entities where significant risk has been transferred:</p> <p>'In conducting the group-wide risk assessment, the group-wide supervisor should also take into consideration the activities undertaken by non-regulated entities within the IAIG. If significant risk has been transferred from regulated to unregulated entities in a group, supervisors of the regulated entities should look to understand the dependencies of the regulated entities on the unregulated entity.'</p> <p>(4) This Guidance should clarify that an assessment of non-regulated entities' contribution should be carried out by the supervisor and there should not be a requirement on the IAIG to repackage data already provided to the supervisor.</p>
196. Association of British Insurers	United Kingdom	<p>The ABI proposes that the wording be amended as follows to ensure that a proportionate approach is taken that focuses on understanding any dependencies between regulated and unregulated entities:</p> <p>'In conducting the group-wide risk assessment, the group-wide supervisor should also take into consideration the activities undertaken by non-regulated entities within the IAIG. If significant risk has been transferred from</p>

		<p>regulated to unregulated entities in a group, supervisors of the regulated entities should look to understand the dependencies of the regulated entities on the unregulated entity. '</p> <p>We also suggest clarifying in this Guidance that an assessment of non-regulated entities' contribution should be carried out by the supervisor; there should not be a requirement on the IAIG to repackage data already provided to the supervisor.</p>
197. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>We would suggest rewording "Non-regulated entities' contribution to group capital adequacy could be assessed by calculation of a proxy capital requirement as if the entity were regulated or through deduction of the group's interest in the unregulated entity" as follows:</p> <p>Non-regulated entities should be assessed for the potential impact on the capital adequacy of the group, considering the effectiveness of their legal separation and potential contagion within the group.</p>
198. ACLI	US	<p>We would suggest rewording "Non-regulated entities' contribution to group capital adequacy could be assessed by calculation of a proxy capital requirement as if the entity were regulated or through deduction of the group's interest in the unregulated entity" as follows: "Non-regulated entities should be assessed for the potential impact on the capital adequacy of the group, considering the effectiveness of their legal separation and potential contagion within the group.</p>
199. CNA	USA	<p>CNA proposes that a materiality threshold, which is defined, be considered when assessing risks in non-regulated and non-financial entities.</p>
200. MetLife, Inc	USA	<p>We would suggest rewording "Non-regulated entities' contribution to group capital adequacy could be assessed by calculation of a proxy capital requirement as if the entity were regulated or through deduction of the group's interest in the unregulated entity" as follows:</p> <p>--"Non-regulated entities should be assessed for the potential impact on the capital adequacy of the group, considering the effectiveness of their legal separation and potential contagion within the group."</p>
201. Property Casualty Insurers Association of America (PCI)	USA	<p>We would suggest rewording "Non-regulated entities' contribution to group capital adequacy could be assessed by calculation of a proxy capital requirement as if the entity were regulated or through deduction of the group's interest in the unregulated entity" as follows:</p> <p>"Non-regulated entities should be assessed for the potential impact on the capital adequacy of the group, considering the effectiveness of their legal separation and potential contagion within the group."</p>
57 - Q57 Comment on Guidance CF9.2b.3		
202. Insurance Europe	Europe	See comment posted for Q49

203. Global Federation of Insurance Associations	Global	This guidance assumes that a group-wide stress test is required, which is not necessarily the case. The words “if required” should be added after “group-wide stress test”.
		GFIA suggests that this guidance provide that the supervisor should also take into account the severity of the overall stress scenario, not just the severity in each jurisdiction. In our view, assuming the whole world goes into a mild depression is much more severe than assuming one country goes into a steep depression. However, an assumption that all countries would simultaneously go into a steep depression is excessively severe.
		The guidance language suggests that the group-wide supervisor may require a group-wide stress test. The expanding role of the group-wide supervisor raises questions about the capability and capacity of the group-wide supervisor to carry out the responsibilities contemplated by the ICP/ComFrame guidance.
204. General Insurance Association of Japan	Japan	While consideration of “the severity of the stress scenarios in each of the IAIG’s major operating jurisdictions” is required as part of the IAIG’s group-wide risk assessment, it is redundant to always consider such a factor at the jurisdictional level in group-wide assessment. Setting stress scenarios from the group-wide perspective will be sufficient.
205. Association of British Insurers	United Kingdom	This Guidance assumes that a group-wide stress test is required, which is not necessarily the case. We suggest amending this guidance as follows: ‘the IAIG’s group-wide stress test, if required’
206. Institute of International Finance/Geneva Association	United States/Switzerland and	We would suggest that the guidance provide that the supervisor should also take into account the severity of the overall stress scenario, not just the severity in each jurisdiction. In our view, assuming the whole world goes into a mild depression is much more severe than assuming one country goes into a steep depression. However, an assumption that all countries would simultaneously go into a steep depression is excessively severe.
207. ACLI	US	We would suggest that the guidance provide that the supervisor should also take into account the severity of the overall stress scenario, not just the severity in each jurisdiction. In our view, assuming the whole world goes into a mild depression is much more severe than assuming one country goes into a steep depression. However, an assumption that all countries would simultaneously go into a steep depression is excessively severe.
208. American Insurance Association	USA	This guidance language suggests that the group-wide supervisor may require a group-wide stress test, even if there has been no showing of systemic risk. The expanding role of the group-wide supervisor raises questions about the capability and capacity of the group-wide supervisor to carry out the responsibilities contemplated by the ICP/CF guidance.
		This provision assumes that a group-wide stress test is required, which is not necessarily the case. The words “if required” should be added after “group-wide stress test”.
209. Liberty Mutual Insurance Group	USA	There is no current legal requirement for Liberty Mutual to do a “group wide stress test.”
210. MetLife, Inc	USA	We would suggest that the guidance provide that the supervisor should also take into account the severity of the overall stress scenario, not just the severity in each jurisdiction. In our view, assuming the whole world goes into a

		mild depression is much more severe than assuming one country goes into a steep depression. However, an assumption that all countries would simultaneously go into a steep depression is excessively severe.
211. Property Casualty Insurers Association of America (PCI)	USA	We would suggest that the guidance provide that the supervisor should also take into account the severity of the overall stress scenario, not just the severity in each jurisdiction. In our view, assuming the whole world goes into a mild depression is much more severe than assuming one country goes into a steep depression. However, an assumption that all countries would simultaneously go into a steep depression is excessively severe.
58 - Q58 Comment on Guidance CF9.2b.4		
212. Global Federation of Insurance Associations	Global	<p>We suggest changing “ICS” to “appropriate jurisdictional capital standard” since not all jurisdictions may adopt the ICS. In addition, it is unclear why the role of the group-wide supervisor is “particularly important” where the IAIG has a mixture of insurance, banking and securities sector operations.</p> <p>If the ICS is intended to measure capital adequacy, then clarification is needed regarding the phrase “availability of capital to meet group-wide capital requirements”. This phrase suggests a fungibility concept, which IAIS has not yet discussed or defined.</p> <p>GFIA suggests that the high-level standard be re-worded to reflect that ComFrame provides standards and guidance that serve as points of reference as supervisors (and where appropriate/necessary, legislators) take actions to build out their supervisory and solvency frameworks consistent with the standard on an outcomes basis.</p>
213. General Insurance Association of Japan	Japan	"The availability of capital in meeting the regulatory capital requirements for each insurance legal entity of the IAIG in each jurisdiction" is assessed by each jurisdictional supervisor. Therefore, it is redundant for the group-wide supervisor to conduct a further assessment. As assessment by the group-wide supervisor on whether and how the regulatory capital requirements at the group level are to be met will be sufficient, the last sentence should be deleted.
214. Association of British Insurers	United Kingdom	It is unclear how this Guidance applies where the ICS is not implemented in the jurisdiction of the Head of the IAIG.
215. Chubb	United States	We are encouraged by and support the language stating that the group supervisor should assess group capital adequacy against the standard set forth in the jurisdiction of the group supervisor. We disagree that the group supervisor should assess regulatory capital for each legal entity. Chubb operates in 54 jurisdictions and is subject to supervision of the legal entities in each jurisdiction where we operate. The group supervisor should not be tasked with assessing capital adequacy of these local entities but should rely on the local supervisor to undertake this assessment and to elevate any concerns to the group supervisor as part of the supervisory college.

216. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>It should not be presumed that all jurisdictions will adopt the ICS and therefore 'against the ICS' should be struck from the guidance.</p> <p>In addition, we would suggest that the high-level standard be reworded to reflect that ComFrame provides standards and guidance that serve as points of reference as supervisors (and where appropriate/necessary, legislators) take actions to build out their supervisory and solvency frameworks consistent with the standard on an outcomes basis.</p>
217. ACLI	US	We would suggest that the high-level standard be reworded to reflect that ComFrame provides standards and guidance that serve as points of reference as supervisors (and where appropriate/necessary, legislators) take actions to build out their supervisory and solvency frameworks consistent with the standard on an outcomes basis.
218. American Insurance Association	USA	Because was also intended to become a part of ComFrame, AIA understands why this proposed provision would reference the ICS. However, as global guidance, the ComFrame language should also recognize that not all jurisdictions will adopt the ICS. Therefore, AIA recommends changing "ICS" to a more neutral terminology, such as "appropriate jurisdictional capital standard". In addition, it is unclear why the role of the group-wide supervisor is "particularly important" where the IAIG has a mixture of insurance, banking and securities sector operations. That language should also be deleted.
219. Liberty Mutual Insurance Group	USA	There is no current legal requirement for Liberty Mutual to meet a consolidated group capital requirement. The ICS, as currently contemplated by the IAIS, will not be considered for adoption by the legislature of the jurisdiction in which our group-wide supervisor is located.
220. MetLife, Inc	USA	We would suggest that the high-level standard be reworded to reflect that ComFrame provides standards and guidance that serve as points of reference as supervisors (and where appropriate/necessary, legislators) take actions to build out their supervisory and solvency frameworks consistent with the standard on an outcomes basis.
221. Property Casualty Insurers Association of America (PCI)	USA	We would suggest that the high-level standard be reworded to reflect that ComFrame provides standards and guidance that serve as points of reference as supervisors (and where appropriate/necessary, legislators) take actions to build out their supervisory and solvency frameworks consistent with the standard on an outcomes basis.
59 - Q59 Comment on Guidance CF9.2b.5		

222. The Travelers Companies, Inc.	United States	The last sentence of CF9.2b.5 reads: “The group-wide supervisor should require that the capital adequacy assessments of the IAIG exclude intra-group holdings of regulatory capital if not performed on a fully consolidated basis.” U.S. Risk-Based Capital addresses this issue in an approach that does not consolidate but also does not double-count. That approach is to increase the capital requirement of the parent for the risk associated with the subsidiary’s operations. This was done to accomplish essentially the same result as a consolidation without the burden that a consolidation would cause. We have confirmed that this approach produces essentially the same result as a consolidation using our internal data. Therefore, we recommend that the current wording in the last sentence of paragraph CF9.2b.5 be deleted.
223. Property Casualty Insurers Association of America (PCI)	USA	The first sentence should be revised to read: “The group-wide supervisor should identify and consider in the assessment situations which may give rise to double or multiple gearing”. In addition, the third and fourth sentences should be deleted as the issues addressed and level of detail are not appropriate for this part of ComFrame.
60 - Q60 Comment on Guidance CF9.2b.6		
224. Global Federation of Insurance Associations	Global	This guidance suggests that capital should be readily available throughout the group. If the capital is not fungible, there is an unanswered question of how that fact affects the assessment of group capital adequacy. The ramifications to the group should be clarified.
225. General Insurance Association of Japan	Japan	The fungibility of capital under the ICS is scheduled to be, and indeed should be examined as part of ICS Version 2.0 development. In addition, because this guidance could be read as requiring a strict application even for relatively small capital amounts within the group, "Where appropriate" or similar phrases should be added at the beginning.
226. Chubb	United States	We disagree with the notion that a group supervisor from any jurisdiction has the legal authority to order the transfer of capital from one legal entity to another in a different jurisdiction. This view of fungibility of capital across jurisdictions at the direction of a group supervisor is at odds with the law of national sovereignty. This fact does not mean we do not see the value in the group supervisor having a dialogue with supervisors from other jurisdictions and a framework to assess the ability to absorb losses throughout the group. Cooperation among supervisors, especially in a time of crisis, is an admirable goal that should be encouraged—we merely caution against misplaced confidence in the legal ability of any group supervisor to actually direct the transfer of capital across jurisdictions. We do not think it is a good use of time or resource to conduct an assessment on a going and gone concern basis because the reality is, at the time of crisis, what happens with available capital is not pre-determined by regulatory or legal requirements but rather is dependent on contemporaneous negotiations among national governments.

227. ACLI	US	ACLI notes that neither the group-wide supervisor nor any legal entity supervisor has the authority to move capital among entities, sectors, and jurisdictions
228. American Insurance Association	USA	This proposed ComFrame language suggests that capital should be readily available for use throughout the group. If the capital is not fungible, there is an unanswered question of how that fact affects the assessment of group capital adequacy? The ramifications to the group should be clarified.
229. Liberty Mutual Insurance Group	USA	Capital within an insurance group is not fungible. There is no use in having the group wide supervisor “conduct an assessment of the fungibility of capital” when it does not exist in any material respect in the first place.
61 - Q61 Comment on Guidance CF9.2b.7		
230. Insurance Europe	Europe	Insurance Europe agrees. However, it would be too onerous for companies to be imposed macro-prudential stress test every year. A frequency of 2 years should be the maximum.
231. Global Federation of Insurance Associations	Global	<p>We recommend this section be reworded as follows:</p> <p>In conducting the group-wide risk assessment, the group-wide supervisor (with input from other relevant supervisors) should take into consideration the current and forecast business and the macroeconomic environment in all the material jurisdictions that the IAIG operates in, and assess the cumulative potential impact on the operations of the IAIG. This macroeconomic analysis should also be incorporated into forward-looking stress testing to identify possible events or changes in market conditions that could adversely impact the IAIG’s group financial position.</p>
232. General Insurance Association of Japan	Japan	Insurers do not have payment and settlement systems, and their systemic risk is relatively small compared to that of banks. Therefore, it is redundant to require macro-prudential analysis for all insurers, including those that have not even been designated as SIFIs. The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG’s ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
233. Association of British Insurers	United Kingdom	The discussion on macro-prudential analysis in this paragraph introduces a very broad concept, creating uncertainty as to what factors will be considered as relevant for the group-wide risk assessment.

234. Chubb	United States	We do not think this is practical or realistic. This suggests that supervisors have the resources to be in a position to conduct an independent projection of the future performance of a group such as Chubb so that the group supervisor can create stress testing that identifies changes in market conditions that could adversely impact the group. This is the job of the management of an IAIG—to assess future market conditions and potential risks factors impacting business performance. Supervisors understandably will not be in a position to independently undertake this assessment that requires extensive knowledge of geo-political and business developments throughout the globe. A more practical approach is for the group supervisor to engage with the IAIG to assess the IAIG’s approach to global risk management and assessment of future risk as set forth in the ORSA. The group supervisor should be in a position to assess whether the IAIG has made reasonable assumptions and has adequate checks and balances in place so that the ORSA is credible. This is a much more reasonable and practical approach than expecting the group supervisor to have the ability to substitute its judgment for that of the management of the IAIG.
235. Institute of International Finance/Geneva Association	United States/Switzerland and	We recommend this section be reworded as follows: In conducting the group-wide risk assessment, the group-wide supervisor (with input from other relevant supervisors) should take into consideration the current and forecast business and the macroeconomic environment in all the material jurisdictions that the IAIG operates in, and assess the cumulative potential impact on the operations of the IAIG. This macroeconomic analysis should also be incorporated into forward-looking stress testing to identify possible events or changes in market conditions that could adversely impact the IAIG’s group financial position.
236. ACLI	US	We suggest replacing the word “macroprudential” with the word “macroeconomic,” as the latter is more accurate in this context.
237. Liberty Mutual Insurance Group	USA	A macroprudential analysis is unnecessary for assessing the financial condition of an IAIG that is not systemically important.

238. MetLife, Inc	USA	<p>Consistent with our comment at Q. 47 above we recommend this section be reworded as follows:</p> <p>- "In conducting the group-wide risk assessment, the group-wide supervisor (with input from other relevant supervisors) should take into consideration the current and forecast business and the macroeconomic environment in all the material jurisdictions that the IAIG operates in, and assess the cumulative potential impact on the operations of the IAIG. This macroeconomic analysis should also be incorporated into forward-looking stress testing to identify possible events or changes in market conditions that could adversely impact the IAIG's group financial position."</p>
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<p>239. Property Casualty Insurers Association of America (PCI)</p>	<p>USA</p>	<p>While it is appropriate to take macroprudential factors into account, the language in this paragraph seems overbroad – it appears unrealistic for the group-wide risk assessment to “assess the cumulative potential impact on the operations of the IAIG” of the macroprudential environment in all material jurisdictions. In particular including it in forward-looking stress testing may be impractical at this time.</p> <p>Consistent with our comment at Q. 47 above we recommend this section be reworded as follows:</p> <p>"In conducting the group-wide risk assessment, the group-wide supervisor (with input from other relevant supervisors) should take into consideration the current and forecast business and the macroeconomic environment in all the material jurisdictions that the IAIG operates in, and assess the cumulative potential impact on the operations of the IAIG. This macroeconomic analysis should also be incorporated into forward-looking stress testing to identify possible events or changes in market conditions that could adversely impact the IAIG’s group financial position."</p> <p>This paragraph correctly focuses on macro issues in “material” jurisdictions in which the IAIG operates. The idea of materiality (and a risk-based approach) is unfortunately often missing from other parts of ComFrame. This should be emphasised throughout, otherwise suggesting the same level of review, assessment, coordination, etc. across the IAIG and all of its legal entities may waste valuable supervisory resources and duplicate supervisory efforts.</p>
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83 - Q83 Comment on Standard CF9.4a		
294. GDV - German Insurance Association	Germany	GDV disagrees. The reporting of capital requirements should be set in advance by national legal regulation.
295. Global Federation of Insurance Associations	Global	We suggest changing “for reporting the calculation of the ICS and the capital to meet the ICS” to “for reporting the calculation of the appropriate jurisdictional capital standard and the capital to meet such capital standard” since not all jurisdictions may adopt the ICS.
296. General Insurance Association of Japan	Japan	ICS reporting requirements should clarify a general principle that, depending on materiality, flexible treatment is ensured with regard to the scope of calculation and calculation methods. It should also be made clear that the IAIG will report in line with the jurisdictional legislation and implementation of the ICS. In addition, we suggest deleting “in cooperation with other involved supervisors”, because such cooperation is unnecessary with regard to reporting and the calculation of the ICS.
297. Chubb	United States	This assumes that every group supervisor will be in a jurisdiction that has adopted the ICS but given the negative impact on U.S. groups and markets, it is very unlikely that the U.S. will adopt the current ICS as its group capital standard. The current ICS is not compatible with the U.S. approach to group capital in that it utilizes a consolidated capital calculation, prefers market adjusted valuation and adopts qualifying capital standards that disfavor U.S. companies. We suggest that the ICS be re-framed as a principles based standard for a jurisdiction to assess group capital and that this provision be re-worded to state, “Based on the ICS as implemented in the jurisdiction of the group-wide supervisor, in cooperation with other involved supervisors, the group-wide supervisor establishes the requirements to report and assess group capital.
298. Institute of International Finance/Geneva Association	United States/Switzerland and	It should not be presumed that all jurisdictions will adopt the ICS and therefore CF9.4.a should be struck from the guidance. Group capital is covered by CF9.2b.4, which also should not make reference to the ICS.
299. ACLI	US	Change “for reporting the calculation of the ICS and the capital to meet the ICS” to “for reporting the calculation of the appropriate jurisdictional capital standard and the capital to meet such capital standard” since not all jurisdictions may adopt the ICS.
300. American Insurance Association	USA	Consistent with our earlier comment, AIA recommends changing “for reporting the calculation of the ICS and the capital to meet the ICS” to “for reporting the calculation of the appropriate jurisdictional capital standard and the capital to meet such capital standard” since not all jurisdictions may adopt the ICS.

301. CNA	USA	The proposed guidance appears to imply that the appropriate capital level for the ICS would be determined by the group-wide supervisor which seems counter to the IAIS' stated goal of seeking comparable outcomes for the ICS results. CNA assumes that this is not the IAIS intention and recommends the modification to this passage: "...reporting the result of the ICS calculation."	
302. Property Casualty Insurers Association of America (PCI)	USA	This standard presupposes that all jurisdictions will apply the IAIS' Insurance Capital Standard, which appears to be questionable at this point. We suggest the standard be revised to replace "ICS" with the jurisdiction's "group capital assessment and/or requirement."	
84 - Q84 Standard CF9.4a			
Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
304. General Insurance Association of Japan	Japan	No	The development of the ICS has not been completed.
305. Liberty Mutual Insurance Group	USA	No	
85 - Q85 Standard CF9.4a			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q84 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
306. General Insurance Association of Japan	Japan	It is difficult to estimate the costs, because the content of the ICS has not been finalised. However, it will be very costly to establish a system to calculate on a consolidated group basis for the ICS Ratio reporting, which entails preparations for mark-to-market valuation of insurance liabilities at the individual entity level, development of a risk measurement system on a consolidated group basis, and sophistication of the IT system.	
307. Liberty Mutual Insurance Group	USA	The imposition of an ICS would require a significant expansion of supervisory authority over an IAIG.	

		It is not possible to determine what the costs of complying with it would be.	
86 - Q86 Standard CF9.4a What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q84 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
308. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
309. Liberty Mutual Insurance Group	USA	The imposition of an ICS would require a significant expansion of supervisory authority over an IAIG. It is not possible to determine what the costs of complying with it would be.	
87 - Q87 Standard CF9.4a Please provide the assumptions made to estimate the one-time costs (Q85) and the ongoing costs per year (Q86).			
310. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
311. Liberty Mutual Insurance Group	USA	The imposition of an ICS would require a significant expansion of supervisory authority over an IAIG. It is not possible to determine what assumptions are required to estimate the costs of compliance with an ICS.	
88 - Q88 Standard CF9.4a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
313. General Insurance Association of Japan	Japan	Minimum benefit	The introduction of the ICS is desirable as long as it ensures comparability and fairness, becomes a single economic value-based, international capital regulation that does not hinder the development of insurers' ERM, and is used as a communication tool rather than as a set of hard rules.

314. Canadian Institute of Actuaries	Ontario	Very beneficial	
315. Liberty Mutual Insurance Group	USA	No benefit	An IAIG's group wide capital is adequate if each of the IAIG's individual insurance entities are adequately capitalized. There is no reasonable public policy justification for imposing the added costs of the proposed ICS on insurance groups or their policyholders.
104 - Q104 Comment on Standard CF9.6a			
334. Association of British Insurers	United Kingdom	The ABI notes that this Standard re-words the current Parameter M3E1-1-7 and now appears to require on-site inspections at the level of the Head of the IAIG. We recommend amending this Standard to include a caveat, e.g. 'The group-wide supervisor performs on-site inspections at the level of the Head of the IAIG, where necessary' to encourage a more proportionate approach to supervision.	
335. Chubb	United States	Key persons in control functions and senior management responsible for group-wide functions may not all be located in the same geographic location, therefore, it makes more sense to provide that access to these individuals in an agreed to format rather than to couch this as an "on-site" inspection, which term is not all that relevant in the digital economy.	
105 - Q105 Standard CF9.6a			
Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
337. General Insurance Association of Japan	Japan	Yes	
106 - Q106 Standard CF9.6a			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q105 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
338. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
107 - Q107 Standard CF9.6a			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q105 that would have to be made solely for purposes of ComFrame (please specify the currency)?			

339. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
108 - Q108 Standard CF9.6a			
Please provide the assumptions made to estimate the one-time costs (Q106) and the ongoing costs per year (Q107).			
340. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
109 - Q109 Standard CF9.6a			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
342. General Insurance Association of Japan	Japan	Reasonably beneficial	On-site inspections would be beneficial if they produce advice that contributes to sophistication of the insurer's management.
343. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
110 - Q110 Comment on Guidance CF9.6a.1			
111 - Q111 Comment on Guidance CF9.6a.2			
344. Insurance Europe	Europe	Insurance Europe agrees. However, this is only possible if advanced notice is given (see Q102)	
345. GDV - German Insurance Association	Germany	GDV agrees. However, this is only possible if advanced notice is given (see Q102).	
112 - Q112 Comment on Guidance CF9.6a.3			
113 - Q113 Comment on Standard CF9.6b			
346. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	'Where appropriate the group-wide supervisor, or other involved supervisors, join on-site inspections of an insurance legal entity in another jurisdiction with prior consent from the relevant involved supervisor and coordinated by that supervisor . Given the role of the legal entity supervisor we would think this should only be in extreme situations.	
347. Insurance Europe	Europe	Such situations, where the group-wide or other involved supervisors join the on-site inspections of an insurance legal entity, would be an exceptional situation as the local supervisor of the legal entity would normally have the appropriate knowledge and experience to inspect the legal entity effectively. The wording of this Standard should reflect the exceptional nature of this.	

348. Allianz	Germany	We object to foreign supervisors joining on-site inspections without prior consent of the insurer. There is neither a need nor a legal basis for this.
349. Global Federation of Insurance Associations	Global	We believe the stated situation would be a rare exception, since the local supervisor of the legal entity would normally have the appropriate knowledge and experience to efficiently inspect the legal entity.
350. Insurance Ireland	Ireland	'Where appropriate the group-wide supervisor, or other involved supervisors, join on-site inspections of an insurance legal entity in another jurisdiction with prior consent from the relevant involved supervisor and coordinated by that supervisor". We would think this should only be in extreme situations.
351. General Insurance Association of Japan	Japan	It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, this standard should be deleted.
352. Association of British Insurers	United Kingdom	The ABI considers that the situations anticipated by this Standard, where the group-wide or other involved supervisors join the on-site inspections of an insurance legal entity, would be an exceptional situation. The local supervisor of the legal entity would normally have the appropriate knowledge and experience to inspect the legal entity effectively. The wording of this Standard should reflect the exceptional nature of this.
353. Institute of International Finance/Geneva Association	United States/Switzerland and	This standard reads: 'Where appropriate the group-wide supervisor, or other involved supervisors, join on-site inspections of an insurance legal entity in another jurisdiction with prior consent from the relevant involved supervisor and coordinated by that supervisor .' We would think this should only be in extreme situations.
354. American Insurance Association	USA	We believe the stated situation would be a rare exception, since the local supervisor of the legal entity would normally have the appropriate knowledge and experience to efficiently inspect the legal entity.
114 - Q114 Standard CF9.6b Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?		

356. General Insurance Association of Japan	Japan	No	On-site inspections by supervisors of other jurisdictions are not conducted.
115 - Q115 Standard CF9.6b What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q114 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
357. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
116 - Q116 Standard CF9.6b What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q114 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
358. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
117 - Q117 Standard CF9.6b Please provide the assumptions made to estimate the one-time costs (Q115) and the ongoing costs per year (Q116).			
359. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
118 - Q118 Standard CF9.6b Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
361. General Insurance Association of Japan	Japan	No benefit	There is no particular benefit.
362. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
119 - Q119 Comment on Guidance CF9.6b.1			
363. General Insurance Association of Japan	Japan	It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, this guidance should be deleted.	

120 - Q120 Comment on Guidance CF9.6b.2			
364. General Insurance Association of Japan	Japan	It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, this guidance should be deleted.	
365. Chubb	United States	We refer to our above comment that the term on-site inspection is less clear in today's world where business is conducted remotely and digitally. We agree that the group-wide supervisor should have access to key individuals with group wide responsibilities and that the findings may be shared with the supervisory college. We believe these findings should also be communicated to the IAIG so that the IAIG has an opportunity to respond and, where necessary, to take corrective measures.	
124 - Q124 Comment on Standard CF9.7a			
366. GDV - German Insurance Association	Germany	The group-wide supervisor should always give appropriate feedback to the Head of the IAIS which has ultimate responsibility for the group.	
125 - Q125 Standard CF9.7a			
Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
368. General Insurance Association of Japan	Japan	Partially	Following supervisory review, the group-wide supervisor occasionally provides feedback for the Head of the IAIG.
126 - Q126 Standard CF9.7a			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q125 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
369. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
127 - Q127 Standard CF9.7a			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q125 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
370. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	

128 - Q128 Standard CF9.7a			
Please provide the assumptions made to estimate the one-time costs (Q126) and the ongoing costs per year (Q127).			
371. General Insurance Association of Japan	Japan	It is difficult to estimate the costs.	
129 - Q129 Standard CF9.7a			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
373. General Insurance Association of Japan	Japan	Reasonably beneficial	The feedback would be beneficial as long as it contributes to sophistication of the insurer's management.
374. Canadian Institute of Actuaries	Ontario	Very beneficial	
132 - Q132 General Comment on ComFrame material integrated with ICP 10			
392. Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries)	Germany	In general we regard the integration as successful. However there is potential for improvement in particular by restructuring section 10.3 (C.f. our answer to Q182).	
393. Global Federation of Insurance Associations	Global	We cannot stress enough the fact that supervisors – whether the group-wide supervisor or a relevant involved supervisor – cannot assert authority over the Head of the IAIG or a legal entity within the group unless the supervisor has legal jurisdiction over the entity for which it wishes to exercise control. It follows, then, that sanctions can only be applied to an entity over which the supervisor has jurisdiction and such entity has engaged in sanctionable action.	
395. International Actuarial Association	International	ComFrame requirements are included in the Introduction – We think they would fit better as a separate section? In general we regard the integration as successful. However, note our response to Q182 where we suggest restructuring section 10.3D	

396. Swiss Re	Switzerland	<p>See Q131: The integration of the recovery and recovery planning related material of ComFrame could be improved. Developing our point regard “structure” in Q131, we believe that the localized introduction of recovery plans in ICP10.3 reduces recovery to a recovery planning exercise and understates the complexity of the overall effort.</p> <p>In our opinion: The recovery analysis leads to a recovery plan. The recovery plan outlines plausible recovery actions which address a subset of the possible recovery situations an insurer may face. In times of crisis, or in the mounting phase thereof, the supervisor will analyze the situation and, if the insurer has a recovery plan, will review the recovery measures pursued by the insurer. In addition, the supervisor may order preventive or corrective measures (those are clearly in the scope of ICP10), potentially, but not necessarily drawing upon the options laid out in the recovery plan. Accordingly, ICP10.2 and 10.3 need to make reference to the options laid out in the recovery plan.</p>
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<p>397. Zurich Insurance Company Ltd.</p>	<p>Switzerland</p>	<p>See Q131: The integration of the recovery and recovery planning related material of ComFrame could be improved. Developing our point regard “structure” in Q131, we believe that the localized introduction of recovery plans in ICP10.3 reduces recovery to a recovery planning exercise and understates the complexity of the overall effort.</p> <p>In our opinion: The recovery analysis leads to a recovery plan. The recovery plan outlines plausible recovery actions which address a subset of the possible recovery situations an insurer may face. In times of crisis, or in the mounting phase thereof, the supervisor will analyze the situation and, if the insurer has a recovery plan, will review the recovery measures pursued by the insurer. In addition, the supervisor may order preventive or corrective measures (those are clearly in the scope of ICP10), potentially, but not necessarily drawing upon the options laid out in the recovery plan. Accordingly, ICP10.2 and 10.3 need to make reference to the options laid out in the recovery plan.</p>
<p>398. Association of British Insurers</p>	<p>United Kingdom</p>	<p>The supervisor, whether the group-wide supervisor or a relevant involved supervisor, cannot assert authority over the Head of the IAIG or a legal entity within the group unless the supervisor has legal jurisdiction over that entity. Similarly, the measures anticipated by ICP 10 can only be applied to an entity over which the supervisor has jurisdiction and where the entity has engaged in activity that attracts sanctions. The ComFrame material integrated with ICP 10 should be clear on this.</p>
<p>399. National Association of Mutual Insurance Companies</p>	<p>United States</p>	<p>Q132 General Comment on ComFrame material integrated with ICP 10.</p> <p>ICP 10 suggests there are unlimited powers of the groupwide supervisor to require and enforce power over all the legal entities in the group. Regardless of the language in their law or regulation, this is just not so. No group supervisor has power outside of its jurisdictional boundaries over affiliates that do not operate in their jurisdiction. They may be able to apply pressure but not to enforce or punish behavior except on those entities within their jurisdiction. To achieve full group supervision requires engagement in the supervisory colleges with the domiciliary regulator of the legal entity at fault for the infraction. The myth that some supervisors can exert power over the entire group, even non-insurance entities and entities that do not conduct any business in the jurisdiction needs to be eliminated from international standards. All authority over such entities is indirect for all insurance supervisors.</p>

<p>400. Institute of International Finance/Geneva Association</p>	<p>United States/Switzerland and</p>	<p>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.</p> <p>However, inclusion of recovery planning in ICP/ComFrame 10 creates confusion. Specifically, CF 10.3 mixes up two concepts:</p> <ul style="list-style-type: none"> • 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 10.4.</p> <p>The latter, forward-looking, contingency plan, is correctly recognized within ICP 10 and related ComFrame sections 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 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</p>
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		<p>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 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>
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401. Liberty Mutual Insurance Group	USA	The current draft requirement that all IAIGs must have a complex and very granular Recovery Plan, subject to review and revision by supervisors, is not justified by the consequences of a possible failure of non-systemically important IAIGs. The expansion of supervisory direct authority to require such a Recovery Plan is not supported by any reasonable public policy objective, nor is it practicable and effective. A granular plan, in the context of a dynamic business environment of ever-changing risks, is not practical, cost effective, or of utility to either companies or supervisors. Liberty Mutual’s current recovery strategy is focused on addressing potential high-level capital contingencies, not detailed granular sources of potential risk such as the ComFrame material in ICP 10 sets forth. This higher level approach to stress testing meets our business needs. It is not necessary for our company to incur the cost and time that would be necessary to conform our successful strategy to meet the standards set forth in ICP 10. Developing recovery plans that address very detailed hypothetical stress events at the entity level, as required by the ComFrame sections of ICP 10 is both speculative in nature and ineffective for maintaining a going concern. The level of granularity called for by the IAIS ensures that a plan that attempted to meet the IAIS standards would be out of date the day it is written.
140 - Q140 Comment on Standard CF10.0a		
422. Institute of International Finance/Geneva Association	United States/Switzerland and	As mentioned earlier, clarification is needed as to what is meant by the term ‘the Head of the IAIG’.
423. ACLI	US	<p>This should be clarified to reflect that the supervisory measures apply to the IAIG entity at the very top of the organization, which may be an entity above the insurance group.</p> <p>This section should be clarified to state that the group-wide supervisor “may” apply supervisory measures directly to the Head. It should not be mandatory that the group-wide supervisor take specific actions with respect to the IAIG.</p>
424. American Insurance Association	USA	We cannot stress enough the fact that the supervisor – whether the group-wide supervisor or a relevant involved supervisor – cannot assert authority over the Head of the IAIG or a legal entity within the group unless the supervisor has legal jurisdiction over the entity for which it wishes to exercise control. It follows, then, that sanctions can only be applied to an entity over which the supervisor has jurisdiction and such entity has engaged in sanctionable action.

425. CNA	USA	<p>Although ICP 23, Group-Wide Supervision, has not been updated to incorporate the new ComFrame text, we recommend that the definition of the Head of the IAIG be consistent with Head of the Insurance Group as outlined in ICP 23.</p> <p>CNA requests additional clarity be provided regarding instances when supervisory measures may be taken against the Head of an IAIG and how will they be applied for both regulated and non-regulated entities. This degree of regulatory oversight of the group is new in the U.S. and many other jurisdictions so clarity is necessary to determine if any modifications would need to be made to jurisdictional law if these standards are ultimately adopted.</p>
426. Property Casualty Insurers Association of America (PCI)	USA	<p>The ComFrame Standard should not refer to specific measures that the group-wide supervisor must be able to apply to the Head of the IAIG. Different jurisdictions have different statutory and regulatory powers, and this standard should be applied according to an outcomes-based analysis.</p>
<p>141 - Q141 Standard CF10.0a</p> <p>The IAIS considers it important for IAIGs that the group-wide supervisor can hold the Head of the IAIG accountable for meeting standards which apply to the group as a whole, even where the Head of the IAIG is an unregulated financial holding company.</p> <p>The draft ComFrame standard CF10.0a provides that “supervisory measures” must be available, but does not specify a minimum set of such supervisory measures which should be available to the group-wide supervisor to take. Examples of some supervisory measures are provided as guidance in ICP 10.2.5, including requiring an increase in capital, but, as guidance, these measures do not have to be available.</p> <ul style="list-style-type: none"> - Should the ComFrame standard refer to any specific measures which must be available to the group-wide supervisor to apply directly to the Head of the IAIG? - If yes, what measures should be referred to in the standard? 		
427. GDV - German Insurance Association	Germany	<p>In principle, GDV does not believe specific measures should be set out. But it is necessary to highlight that supervisory measures need to be compliant with law and adequate to the significance of the threat to the group policyholders’ interests or to financial stability.</p>

428. Global Federation of Insurance Associations	Global	<p>GFIA recognizes that the administration of supervisory oversight would be more efficient if the group-wide supervisor has the authority to hold the Head of the IAIG accountable for applying the ComFrame standards to the group as a whole. However, ComFrame must be implemented within the existing legal structure of jurisdictions in which the IAIG operates. Accordingly, GFIA continues to stress that ComFrame standards must be flexible enough to accommodate the requirements of different jurisdictions.</p> <p>The challenge in drafting ComFrame is to set a sufficiently strong standard that will encourage jurisdictions to move toward a common objective, while not prescribing specific measures that must be taken by the jurisdictions in order to meet the standard. While it is suitable to provide examples of measures some jurisdictions have taken to help them meet certain standards, it is inappropriate to prescribe specific measures that must be available to the group-wide supervisor because (1) the specific measure may not be relevant to any given IAIG because of legal and cultural barriers, and (2) the group-wide supervisor may lack legal authority or practical capacity to enforce the specific measures.</p>
430. General Insurance Association of Japan	Japan	<p>(1) Should the ComFrame standard refer to any specific measures which must be available to the group-wide supervisor to apply directly to the Head of the IAIG?:</p> <p>Such measures should be referred to by guidance.</p> <p>(2) If yes, what measures should be referred to in the standard?:</p> <p>While we understand the importance of ensuring flexibility in terms of measures the group-wide supervisor may take, in order to gain an improved mutual understanding of references to possible concrete actions, such measures should be provided in guidance in a similar manner as in 10.2.5, rather than referred to in the ComFrame standard as uniform powers.</p>
431. Swiss Re	Switzerland	This is understandable. The scope of the insurer should not deviate from the scope of the firm set out in the FSB's Key Attributes.
432. Zurich Insurance Company Ltd.	Switzerland	This is understandable. The scope of the insurer should not deviate from the scope of the firm set out in the FSB's Key Attributes.
433. Association of British Insurers	United Kingdom	ComFrame must be implemented within the existing legal structure of jurisdictions in which the IAIG operates. Accordingly, ComFrame standards must be flexible enough to accommodate the requirements of different jurisdictions.
434. Chubb	United States	This section appears to require the group-wide supervisor to have authority to directly apply supervisory measures to holding companies and perhaps legal entities outside of the group-wide supervisor's jurisdiction. In practice, a group-wide supervisor can only directly impose requirements on companies within its jurisdiction since there is no

“world” insurance law permitting extra-territorial application of measures across sovereign borders. This does not mean that group-wide supervisors are powerless to impact group-wide activity. If the group supervisor identifies activities outside of its jurisdiction that potentially could have a material impact on the group as a whole, the group supervisor can contact the supervisor of the legal entity causing concern and discuss appropriate measures for the legal entity supervisor to impose. Supervisors will not ignore material problems identified by one another and experience has shown that much can be achieved through indirect power and pressure. The preventive measures legally must be imposed by the legal entity supervisor but the decision can be a collaborative one made by all involved supervisors. Supervisory authority is confined within jurisdictional borders and ComFrame should not set up a framework that contemplates extra-territorial legal authority which does not exist. ComFrame can achieve the same effective group supervision outcome without requiring direct power.

<p>435. Institute of International Finance/Geneva Association</p>	<p>United States/Switzerland and</p>	<p>The IAIS considers it important for IAIGs that the group-wide supervisor can hold the Head of the IAIG accountable for meeting standards which apply to the group as a whole, even where the Head of the IAIG is an unregulated financial holding company.</p> <p>The draft ComFrame standard CF10.0a provides that “supervisory measures” must be available, but does not specify a minimum set of such supervisory measures which should be available to the group-wide supervisor to take. Examples of some supervisory measures are provided as guidance in ICP 10.2.5, including requiring an increase in capital, but, as guidance, these measures do not have to be available.</p> <p>- Should the ComFrame standard refer to any specific measures which must be available to the group-wide supervisor to apply directly to the Head of the IAIG? - If yes, what measures should be referred to in the standard?</p> <p>In addition to the point raised above, 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>Furthermore, as mentioned in our general comment letter, whatever the specific measures will be the group-wide supervisor has at its disposal, application should be done proportionally and should not go beyond what is necessary.</p>
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436. ACLI	US	<p>Q141: Should the ComFrame standard refer to any specific measures which must be available to the group-wide supervisor to apply directly to the Head of the IAIG?</p> <p>A: No, it should not. ACLI endorses the outcomes-based concept described in paragraph 17 of the Introduction, describing the assessment methodology.</p>	
437. American Insurance Association	USA	<p>AIA recognizes that the administration of supervisory oversight would be more efficient if the group-wide supervisor has the authority to hold the Head of the IAIG accountable for applying the ComFrame standards to the group as a whole. However, ComFrame must be implemented within the existing legal structure of jurisdictions in which the IAIG operates. Thus, the ComFrame standards must be flexible enough to accommodate the requirements of different jurisdictions.</p> <p>The challenge in drafting ComFrame is to set a sufficiently strong standard that will encourage jurisdictions to move toward a common objective, while not prescribing specific measures that each jurisdictions must take in order to meet the standard. It is suitable to provide examples of measures some jurisdictions have taken to help them meet certain standards, but it is inappropriate to prescribe specific measures that must be available to the group-wide supervisor because (1) the specific measure may not be relevant to any given IAIG because of legal and cultural barriers, and (2) the group-wide supervisor may lack legal authority or practical capacity to enforce the specific measures.</p>	
438. Liberty Mutual Insurance Group	USA	<p>No. ComFrame should focus on improved cooperation and coordination among involved supervisors as the means to achieve effective group-wide supervision. ComFrame should not propose new substantive standards based on authority over the Head of the IAIG, given that such authority does not exist in any significant measure in many jurisdictions and that there is little likelihood legislatures will ever provide such authority to insurance supervisors.</p>	
<p>142 - Q142 Standard CF10.0a Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?</p>			
440. Swiss Re	Switzerland	Yes	Switzerland’s regulatory regime addresses group supervision for a number of years now. FINMA will be happy to provide the relevant details.
441. Zurich Insurance Company Ltd.	Switzerland	Yes	Switzerland’s regulatory regime addresses group supervision for a number of years now. FINMA will be happy to provide the relevant details
442. Liberty Mutual Insurance Group	USA	No	Other than in limited contexts, group wide supervisors in the United States do not currently have, and, as a practical political matter, almost certainly never will have authority to hold a non-insurance entity legally responsible

			for complying with insurance regulatory standards. Such changes require a complete re-ordering of U.S. regulatory structures, which are currently multi-jurisdictional and entity-based, as discussed elsewhere in our comments.
143 - Q143 Standard CF10.0a What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q142 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
443. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
444. Liberty Mutual Insurance Group	USA	The imposition of direct authority over an unregulated financial holding company would require an immense expansion of supervisory authority over an IAIG. It is impossible to determine what the costs of complying with it would be.	
144 - Q144 Standard CF10.0a What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q142 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
445. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
446. Liberty Mutual Insurance Group	USA	The imposition of direct authority over an unregulated financial holding company would require an immense expansion of supervisory authority over an IAIG. It is impossible to determine what the costs of complying with it would be.	
145 - Q145 Standard CF10.0a Please provide the assumptions made to estimate the one-time costs (Q143) and the ongoing costs per year (Q144).			
447. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	

448. Liberty Mutual Insurance Group	USA	The imposition of direct authority over an unregulated financial holding company would require an immense expansion of supervisory authority over an IAIG. It is impossible to determine what assumptions should be made in order to estimate what the costs of complying with it would be.	
146 - Q146 Standard CF10.0a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
450. Canadian Institute of Actuaries	Ontario	Very beneficial	
451. Swiss Re	Switzerland	Reasonably beneficial	CF10.0a is beneficial. A comprehensive group supervisory regime involves significant costs year-on-year, both with the group supervisor and with the insurer. While some streamlining of the requirements seems possible, we support the requirements on group supervision to ensure policyholder protection as well as fair and functioning insurance markets.
452. Zurich Insurance Company Ltd.	Switzerland	Reasonably beneficial	CF10.0a is beneficial. A comprehensive group supervisory regime involves significant costs year-on-year, both with the group supervisor and with the insurer. While some streamlining of the requirements seems possible, we support the requirements on group supervision to ensure policyholder protection as well as fair and functioning insurance markets.
453. Liberty Mutual Insurance Group	USA	No benefit	The direct authority over each of the insurance entities within an IAIG is sufficient to protect policyholders and for supervisors to ensure legal compliance with material insurance regulatory standards by the IAIG.
147 - Q147 Comment on Guidance CF10.0a.1			
454. National Association of Mutual Insurance Companies	United States	<p>Q147 Comment on Guidance CF10.0a.1</p> <p>We appreciate the flexibility in this section allowing jurisdictions to determine their own enforcement framework. A flexible approach to the ICPs and the ComFrame provisions makes sense for many issues included in this consultation which we will note throughout.</p>	

148 - Q148 Comment on Guidance CF10.0a.2		
455. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	Provision that the group-wide supervisor should “use indirect powers to apply supervisory measures” is vague. What are these “indirect powers?”
456. Insurance Europe	Europe	This Guidance states that, if the Head of the IAIG is not located in the jurisdiction of the group-wide supervisor, the group-wide supervisor should use indirect powers to apply supervisory measures. This Guidance should clarify what these “indirect powers” are in this case.
457. Global Federation of Insurance Associations	Global	<p>The provision indicating that the group-wide supervisor should “use indirect powers to apply supervisory measures” is vague. The guidance should be clearer as to what action is expected by the group-wide supervisor when using “indirect powers.”</p> <p>This provision is another example in which the guidance assumes the group-wide supervisor has more authority than may legally and practically be available. The more appropriate course of action may be to engage the assistance of relevant local authority with jurisdiction over the Head of the IAIG.</p>
458. Insurance Ireland	Ireland	Provision that the group-wide supervisor should "use indirect powers to apply supervisory measures" is vague. What are these "indirect powers?" If the Head of IAIG is not located in the jurisdiction of the group-wide supervisor, the group-wide supervisor should use indirect powers to apply supervisory measures". What is the definition of indirect?
459. Association of British Insurers	United Kingdom	This Guidance states that, if the Head of the IAIG is not located in the jurisdiction of the group-wide supervisor, the group-wide supervisor should use indirect powers to apply supervisory measures. This Guidance should provide more clarity as to what these ‘indirect powers’ are.
460. National Association of Mutual Insurance Companies	United States	Q148 Comment on Guidance CF10.0a.2 The references to direct and indirect powers raises many questions about the intention of the Consultation around these terms. Please provide more information about how the different forms of powers would be applied. As stated in our general remarks, the myth that some supervisors can exert power over the entire group, even non-insurance entities and entities that do not conduct any business in the jurisdiction needs to be eliminated from international standards. All authority over such entities is indirect for all insurance supervisors.
461. Institute of International Finance/Geneva Association	United States/Switzerland and	We would like to ask for clarification on the definition of “indirect powers”. Additionally jurisdictional law may preclude the ability of a supervisor to apply ‘indirect powers’. The ICP must recognize this. Further, clarification on what is meant by ‘indirect powers’ is needed.

462. ACLI	US	<p>The term “indirect powers” should be defined.</p> <p>It is not clear how the structure described in this section would actually exist within and across jurisdictions, raising the possibility of non-compliance. Both clarity and flexibility are needed here—clarity to describe the structures and indirect powers envisioned by the drafters, and flexibility that recognizes the different governance and regulatory structures among jurisdictions.</p> <p>There should be a greater recognition that the group-wide supervisor will necessarily rely on coordination and agreement among relevant supervisors to effect supervisory measures.</p>
463. American Insurance Association	USA	<p>This provision refers to the use of the group-wide supervisor’s indirect powers to “apply supervisory measures.” But as noted in a previous comment, the notion of “indirect powers” may not be commonly understood among all supervisors and therefore should be clarified. We recommend that the guidance be amended to state the action that is expected of the group-wide supervisor when using “indirect powers.”</p>
149 - Q149 Comment on Standard CF10.0b		
464. Swiss Re	Switzerland	<p>We would appreciate if IAIS could provide examples of “exceptional circumstances” that would preclude coordination among supervisors. We think this would be helpful both to supervisors and insurers, to adequately read such situations. We are of the opinion that such circumstances are or ought to be truly rare.</p>
465. Zurich Insurance Company Ltd.	Switzerland	<p>We would appreciate if IAIS could provide examples of “exceptional circumstances” that would preclude coordination among supervisors. We think this would be helpful both to supervisors and insurers, to adequately read such situations. We are of the opinion that such circumstances are or ought to be truly rare.</p>
466. Association of British Insurers	United Kingdom	<p>This Standard should indicate what is anticipated by ‘coordinate’. The ABI also suggests that, if exceptional circumstances preclude coordination, at the very least the supervisor taking the action should inform the other involved supervisors of their intention to take the action, or immediately after taking the action.</p>
467. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>What are exceptional circumstances that would preclude coordination among supervisors? The exceptional treatment seems sufficiently significant for the IAIS to provide at least examples. CF10.0b.3 (CF10.0b.6) develops the point without proposing examples of such exceptional situations.</p>
<p>150 - Q150 Standard CF10.0b Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?</p>		

469. Liberty Mutual Insurance Group	USA	Yes	Liberty Mutual's supervisory college enables our involved supervisors to coordinate effectively with other supervisors. The IAIS should focus ComFrame on ensuring the effectiveness of supervisory colleges and other collaborative regulatory initiatives and not on proposing new substantive standards that are not practical or cost-effective.
151 - Q151 Standard CF10.0b What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q150 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
470. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
152 - Q152 Standard CF10.0b What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q150 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
471. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
153 - Q153 Standard CF10.0b Please provide the assumptions made to estimate the one-time costs (Q151) and the ongoing costs per year (Q152).			
472. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
154 - Q154 Standard CF10.0b Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
474. Canadian Institute of Actuaries	Ontario	Very beneficial	
475. Swiss Re	Switzerland	Very beneficial	Supervisory cooperation and coordination, whether in the context of preventive measures or corrective measures, is of particular importance for insurers operating internationally, in particular if the "exceptional situations" of CF10.0b are indeed exceptional and truly rare.
476. Zurich Insurance Company Ltd.	Switzerland	Very beneficial	Supervisory cooperation and coordination, whether in the context of preventive measures or corrective measures, is of particular importance for

		insurers operating internationally, in particular if the “exceptional situations” of CF10.0b are indeed exceptional and truly rare.
155 - Q155 Comment on Guidance CF10.0b.1		
477. Swiss Re	Switzerland	ICP25.7 introduces Crisis Management Group (CMG) for all IAIGs. Assuming this view is maintained, we would appreciate if the IAIS would elaborate on how the supervisory college relates to and interacts with the CMG in the pre-resolution phase, i.e. preventive, corrective and recovery/recovery planning phases.
478. Zurich Insurance Company Ltd.	Switzerland	ICP25.7 introduces Crisis Management Group (CMG) for all IAIGs. Assuming this view is maintained, we would appreciate if the IAIS would elaborate on how the supervisory college relates to and interacts with the CMG in the pre-resolution phase, i.e. preventive, corrective and recovery/recovery planning phases.
479. Institute of International Finance/Geneva Association	United States/Switzerland and	In ICP12 the IAIS implies the establishment of a Crisis Management Group (CMG) for IAIGs. Assuming our interpretation is correct, we would appreciate if the IAIS would elaborate how, in their view, supervisory colleges relate to and interact with the CMG in the pre-resolution phase, if at all.
480. CNA	USA	In ICP12 the IAIS implies the establishment of a Crisis Management Group (CMG) for IAIGs. Assuming our interpretation is correct, we would appreciate if the IAIS would elaborate how, in their view, the supervisory college relates to and interacts with the CMG in the pre-resolution phase, if at all.
156 - Q156 Comment on Guidance CF10.0b.2		
157 - Q157 Comment on Guidance CF10.0b.3		
481. Canadian Institute of Actuaries	Ontario	It would be useful to add examples of what “exceptional circumstances” might be.
482. Swiss Re	Switzerland	We would appreciate if IAIS could provide examples of “exceptional circumstances” that would preclude coordination among supervisors. We think this would be helpful, and are of the opinion that such circumstances are truly rare.
483. Zurich Insurance Company Ltd.	Switzerland	We would appreciate if IAIS could provide examples of “exceptional circumstances” that would preclude coordination among supervisors. We think this would be helpful, and are of the opinion that such circumstances are truly rare.
484. Institute of International Finance/Geneva Association	United States/Switzerland and	See our response to CF10.0b. What are exceptional circumstances that would preclude coordination among supervisors? The exceptional treatment seems sufficiently significant for the IAIS to provide at least examples. CF10.0b.3 develops the point without proposing examples of such exceptional situations.

158 - Q158 Comment on Guidance CF10.0b.4		
159 - Q159 Comment on Guidance CF10.0b.5		
160 - Q160 Comment on Guidance CF10.0b.6		
485. Swiss Re	Switzerland	We welcome the IAIS' acknowledgment of the necessity of supervisory cooperation and coordination, in good and even more so in bad times. Though the caveat/reminder expressed in CF10.0b.6 is appropriate, we would encourage the IAIS to revisit the language of the CF10.0b guidance to be clear that the objective is for supervisors to cooperate and coordinate to set the necessary conditions for an orderly path to recovery; then it would be helpful if IAIS were to elaborate on what "exceptional conditions" (see Q149) are; and finally refer to the constraint of jurisdictional legal requirements.
486. Zurich Insurance Company Ltd.	Switzerland	We welcome the IAIS' acknowledgment of the necessity of supervisory cooperation and coordination, in good and even more so in bad times. Though the caveat/reminder expressed in CF10.0b.6 is appropriate, we would encourage the IAIS to revisit the language of the CF10.0b guidance to be clear that the objective is for supervisors to cooperate and coordinate to set the necessary conditions for an orderly path to recovery; then it would be helpful if IAIS were to elaborate on what "exceptional conditions" (see Q149) are; and finally refer to the constraint of jurisdictional legal requirements.
487. Institute of International Finance/Geneva Association	United States/Switzerland and	See our response to the question relating to CF10.0b. What are exceptional circumstances that would preclude coordination among supervisors? The exceptional treatment seems sufficiently significant for the IAIS to provide at least examples. CF10.0b.3 develops the point without proposing examples of such exceptional situations. We welcome the IAIS' acknowledgment of the necessity of supervisory cooperation and coordination, in good and even more so in bad times. Though the caveat/reminder expressed in CF10.0b.6 is appropriate, we would encourage the IAIS to revisit the language of the CF10.0b guidance to be clear that the objective is for supervisors to cooperate and coordinate to set the necessary boundary conditions for an orderly path to recovery; then elaborate on what exceptional conditions are; and finally refer to the constraint of jurisdictional legal requirements.
173 - Q173 Comment on Standard CF10.2a		
512. Insurance Europe	Europe	Insurance Europe does not agree, the Standard states that the group wide supervisor should take preventive measures in circumstances where the IAIG operates in a manner inconsistent with regulatory requirements. Insurance Europe believes the following wording for this Standard is more appropriate: "the Group-Wide Supervisor should intervene when the a regulatory intervention level is breached, i.e. when the IAIG is operating in a manner which leads to a breach of the regulatory intervention level (on group level and/or on an entity level when it could affect the IAIG as a whole)."

513. Allianz	Germany	We support the principle of group supervision. However, we disagree that the group supervisor should take actions if “an entity within the IAIG seems likely to operate in a manner that is inconsistent with any relevant regulatory requirements”. It is only the task of the local supervisor (not the group supervisor) to interfere against the local insurer (not the head) in case of a definite breach of law (not a likely inconsistency). At the least the condition specified in CF 10.2a.2 should be stated in CF10.2a.
514. Global Federation of Insurance Associations	Global	GFIA does not agree, the standard states that the group wide supervisor should take preventive measures in circumstances where the IAIG operates in a manner inconsistent with regulatory requirements. GFIA believes the following wording for this standard is more appropriate: “the Group-Wide Supervisor should intervene when the regulatory intervention level is breached, i.e. when the IAIG is operating in a manner which leads to a breach of the regulatory intervention level (on group level and/or on an entity level when it could affect the IAIG as a whole).”
516. General Insurance Association of Japan	Japan	We suggest revising "or" after "is inconsistent with any relevant regulatory requirements" to "and". In addition, the first sentence should be revised as follows: "Provided it sufficiently fulfills its accountability, the group-wide supervisor requires..." This is because the phrase "likely to" used in the following bullet points could be read to indicate that the supervisor can fully exercise its discretion.
517. Swiss Re	Switzerland	While we fully support the objective of protecting policyholder interests, interventions by the supervisor should be substantiated and based on an analysis. In situations where supervisors operate on an “impression”, insurers should not be subject to regulatory intervention. Proposed language for the first bullet point: “[...] an entity within the IAIG IS SUBSTANTIVELY DETERMINED to operate in a manner that [...]”
518. Zurich Insurance Company Ltd.	Switzerland	While we fully support the objective of protecting policyholder interests, interventions by the supervisor should be substantiated and based on an analysis. In situations where supervisors operate on an “impression”, insurers should not be subject to regulatory intervention. Proposed language for the first bullet point: “[...] an entity within the IAIG IS SUBSTANTIVELY DETERMINED to operate in a manner that [...]”
519. Chubb	United States	It is unclear how a group-wide supervisor would determine that an entity within an IAIG “seems likely to operate in a manner inconsistent with any relevant regulatory requirement”. This is a very broad, vague statement that is

		practically impossible to implement. The group-wide supervisor should be focused on group activity and will not be in a position to know about or address activity which may take place in any entity within the IAIG. The legal entity supervisor may identify this conduct and address it with the IAIG and notify the group-wide supervisor if appropriate and not corrected. The substitution of the word “or” with “and” would improve this section so that the group-wide supervisor is only acting when the IAIG as a whole may be materially adversely impacted.
520. National Association of Mutual Insurance Companies	United States	Q173 Comment on Standard CF10.2a This section includes the same language as addressed in 10.2.1 above. The same comments apply.
521. Institute of International Finance/Geneva Association	United States/Switzerland and	While we fully support the objective of protecting policyholder interests, interventions by the supervisor should be substantiated and based on an analysis and not an “impression”. In situations where supervisors operate on an impression, insurers should not be subject to regulatory intervention. Proposed language for the first bullet point: “[...if:...] - an entity within the IAIG is substantively determined to operate in a manner that [...]”
522. Liberty Mutual Insurance Group	USA	Group wide supervisors in the United States do not currently have direct authority to require a non-insurance entity to take preventative measures. It is unlikely such authority will ever be given to insurance supervisors in the U.S., because doing so would require a complete re-ordering of the current multi-jurisdictional and entity-based regulatory structure in the U.S.
174 - Q174 Standard CF10.2a		
Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?		
524. Liberty Mutual Insurance Group	USA	No
175 - Q175 Standard CF10.2a		
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q174 that would have to be made solely for purposes of ComFrame (please specify the currency)?		

525. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
526. Liberty Mutual Insurance Group	USA	The direct authority to require an unregulated financial holding company to take preventative measures would require an immense expansion of supervisory authority over an IAIG. It is not possible to determine what the costs of complying with it would be.	
176 - Q176 Standard CF10.2a What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q174 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
527. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
528. Liberty Mutual Insurance Group	USA	The direct authority to require an unregulated financial holding company to take preventative measures would require an immense expansion of supervisory authority over an IAIG. It is not possible to determine what the costs of complying with it would be	
177 - Q177 Standard CF10.2a Please provide the assumptions made to estimate the one-time costs (Q175) and the ongoing costs per year (Q176).			
529. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
530. Liberty Mutual Insurance Group	USA	The direct authority to require an unregulated financial holding company to take preventative measures would require an immense expansion of supervisory authority over an IAIG. It is not possible to determine what	

		assumptions must be made in order to estimate what the costs of complying with it would be.
178 - Q178 Standard CF10.2a		
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).		
532. Canadian Institute of Actuaries	Ontario	Reasonably beneficial
533. Liberty Mutual Insurance Group	USA	No benefit
179 - Q179 Comment on Guidance CF10.2a.1		
180 - Q180 Comment on Guidance CF10.2a.2		
181 - Q181 Comment on Guidance CF10.2a.3		
534. CNA	USA	<p>Where would the additional capital be held if all of the regulated entities are above jurisdictional capital requirements but the group still fails the ICS? If it is in an unregulated holding company in a jurisdiction other than the group supervisor how will the group supervisor's indirect authority be able to access it in a gone concern situation? If it is in a regulated entity in the group supervisors jurisdiction wouldn't unwarranted preference be shown to those policyholders in the event the group went insolvent and was resolved?</p> <p>Also, CNA believes it is very concerning that a supervisor can impose preventive measures based on a guess or impression that an insurer is not meeting a group capital requirement. The supervisor should only impose measures or sanctions when there is clear evidence of an insurer not operating within regulatory requirements.</p>
188 - Q188 Comment on Standard CF10.3a		
573. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	The recovery plan should be required in the event there is a trigger such as a breach of the solvency requirement, etc. and the group be given a time frame to prepare and present its plan to the supervisor. The expectation is that the recovery plan sets out how to 'recover' from an event. Most jurisdiction require stress testing scenarios and the supervisor should be reviewing and analysing these results to determine whether or not a recovery plan is required.

<p>574. Reinsurance Advisory Board (RAB)</p>	<p>EU</p>	<p>The requirements for a recovery plan should be appropriate in the context of the objectives of the supervisory framework and the requirement for a recovery plan for a reinsurer should be justified with reference to the objectives of the recovery and resolution framework. Where the objective of the recovery planning requirement is policyholder protection, different considerations should apply for reinsurers than for direct writers for the reasons set out in the response to Q131. In particular the direct policyholder impact of the failure of a reinsurer is likely to be very limited if any, which would clearly not be the case in the event of the failure of a direct writer. More generally, recovery planning would not necessarily increase policyholder protection where it is very unlikely that the firm would not be in a position to pay policyholder claims in full and this should be taken into account in the proportionate application of the framework.</p> <p>While recovery and resolution planning for non-systemic firms should focus on policyholder protection, for systemic firms or those providing critical functions, it should also focus on financial stability and real economy. In this context, the general comments in Q131 explain why reinsurance has limited impact on financial stability and the real economy.</p> <p>Generally, it is likely that reinsurers would have sufficient time to carry out the planning needed to ensure an orderly recovery once the firm breaches a regulatory limit, which makes pre-emptive recovery planning less useful.</p> <p>In light of the above points, reinsurers should be exempt from a general application of recovery planning requirements. However, recovery planning could be incorporated into the ORSA which could be deemed proportionate where the ORSA analysis indicates that the firm may not be in a position to comply with its capital requirements in certain scenarios.</p>
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575. Insurance Europe	Europe	<p>Please refer to the answer to Q185</p> <p>This new requirement within ComFrame is highly prescriptive and onerous. Recovery planning as a corrective measure should be required on a case-by-case basis, where there has been a breach of capital requirements, and should be tailor-made to address the particular situation, and be appropriate in the context of the objectives of the supervisory framework. A recovery plan cannot take into account all circumstances and eventualities, it can only address possible causes of failure and the options for recovery in that circumstance, For example, where the objective of the recovery planning requirement is policyholder protection, it should be clear how the recovery planning requirement increases policyholder protection.</p> <p>Insurance Europe also notes that this Standard and the related Guidance only refer to “the supervisor”, even though the plan is to cover all material entities within the group (CF10.3a.4). Cooperation and coordination between supervisors is important for recovery planning, and supervisors should be working together within the supervisory college.</p>
576. Allianz	Germany	<p>The IAIS should make clear that only the IAIG needs to have a recovery plan, and that additional solo recovery plans are neither needed nor prudent. They would be a source of inconsistency and as such an obstacle to recovery and resolution of the IAIS as a whole. Any differences in opinion must be addressed by the supervisors in the crisis management group, but not by requiring several recovery plans.</p>
577. Deutsche Aktuarvereinigung e.V. (DAV) (German Association of Actuaries)	Germany	<p>We observe that the text on IAIGs gives detailed guidance on elements of recovery plans, while the text related to all insurers does not. It could be beneficial to clarify which elements relate specifically to IAIGs.</p>
578. GDV - German Insurance Association	Germany	<p>Compare to Q185. There should also be a possibility for national supervisory authorities to exclude IAIG that are less complex or less relevant for financial stability.</p>

<p>579. Global Federation of Insurance Associations</p>	<p>Global</p>	<p>As currently drafted, this guidance creates an extremely onerous requirement for every IAIG to prepare recovery plans. As we have previously indicated, a supervisory requirement to develop a recovery plan should be contingent on the breach of a solvency requirement. An otherwise healthy IAIG that is in compliance with its regulatory requirements should have no obligation to prepare a recovery plan, unless the IAIG chooses to do so as part of its own internal risk management process.</p> <p>For those situations in which corrective measures are necessary because of a regulatory breach, GFIA makes the following observations:</p> <ul style="list-style-type: none"> • Recovery plan requirements should be applied in a proportionate manner, with respect to (a) insurers for which the plan is required, and (b) the requirements of the plan. • In general, GFIA believes that early intervention powers should not be used before there has been a breach of the applicable capital standard. Any requirement for recovery planning should be appropriate in the context of the objectives of the supervisory framework. In other words, the proportionality principle needs to be taken into account for the application of all intervention powers.
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580. International Actuarial Association	International	We observe that the text on IAIGs gives detailed guidance on elements of recovery plans, while the text related to all insurers does not. It could be beneficial to clarify which elements relate specifically to IAIGs.
581. General Insurance Association of Japan	Japan	<p>Requiring IAIGs to develop a recovery plan will narrow differences in regulatory requirements between G-SIIs and IAIGs. However, systemic risk of IAIGs is smaller than that of G-SIIs. Moreover, the main aim of ComFrame is not to control systemic risk, but to promote cooperation among jurisdictional supervisors in the supervision of Internationally Active Insurance Groups. Therefore, what is required for a recovery plan should greatly differ between G-SIIs and IAIGs. In light of risk-based supervision, considering the balance between merits that regulation will bring about and the accompanying costs, it is also not practical to require all IAIGs to develop a recovery plan in a uniform manner.</p> <p>The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.</p>
582. Swiss Re	Switzerland	<p>As stated CF10.3a could imply that all insurers meeting the IAIG criteria will need to produce a recovery plan. Taken with ICP10.3.3 this is somewhat confusing; kindly refer to our general point on the structure of ICP10 in Q131.</p> <p>In addition we are not clear what is meant by an IAIG "take[s] actions for recovery"? As the standard is formulated, the requirement makes no explicit reference to recovery triggers. These are only introduced in CF10.3a.3.</p>

583. Zurich Insurance Company Ltd.	Switzerland	<p>As stated CF10.3a could imply that all insurers meeting the IAIG criteria will need to produce a recovery plan. Taken with ICP10.3.3 this is somewhat confusing; kindly refer to our general point on the structure of ICP10 in Q131.</p> <p>In addition we are not clear what is meant by an IAIG "take[s] actions for recovery"? As the standard is formulated, the requirement makes no explicit reference to recovery triggers. These are only introduced in CF10.3a.3.</p>
584. Association of British Insurers	United Kingdom	<p>The ABI considers that this new requirement within ComFrame is highly prescriptive and very onerous.</p> <p>It should be clarified whether this Standard is subject to ICP 10.3, which only requires corrective measures where the insurer fails to operate consistently with regulatory requirements, and therefore whether ComFrame is requiring all IAIGs to prepare recovery plans, or only those in breach. In our view, recovery planning as a corrective measure should only be required on a case-by-case basis, where there has been a breach of capital requirements. Such recovery plans should be tailor-made to address the particular situation, and be appropriate in the context of the objectives of the supervisory framework. A recovery plan cannot take into account all circumstances and eventualities, it can only address possible causes of failure and the options for recovery in that circumstance.</p> <p>The ABI also notes that this Standard and the related Guidance only refer to "the supervisor", even though the plan is to cover all material entities within the group (CF10.3a.4). Cooperation and coordination between supervisors is important for recovery planning, and supervisors should be working together within the supervisory college.</p>
585. Chubb	United States	<p>We do not agree that the group-wide supervisor should require every IAIG to develop a recovery plan. It is not clear exactly what is contemplated in these recovery plans, however, we do not support a requirement to produce a detailed plan which includes assumptions and stress scenarios. We view the requirement to describe the specific actions we would take in response to a litany of stresses as an unproductive, unhelpful exercise based on hypothetical circumstances which in reality, never occur as posed. Such plans often run into tens of thousands of pages, costing millions of dollars to produce a product that will very likely not be useful. We believe that proportionality dictates that these recovery plans should only be required of IAIGs that have been designated as systemically important. Although we dispute whether insurers can pose global systemic risk, at least in this circumstance, there has been a determination that the failure would potentially impact the broader economy to justify the costs in creating the recovery plan.</p> <p>The better focus for the group-wide supervisor is to assess whether the IAIG has appropriate risk assessment, management and monitoring which includes consideration of adverse events. These issues are already addressed</p>

		<p>in the ORSA which demonstrates the insurer’s competency to manage its risk and capital, including under various adverse scenarios. In our view, the ORSA contains many of the elements mentioned in CF 10.3 and the supervisory college further provides a vehicle for the group supervisor and involved supervisors to assess the financial condition of the insurance group and its ability to manage risk over the long term. Given these existing tools, and the ComFrame commitment to proportionality, we do not support the need to require a new, costly recovery plan.</p>
586. National Association of Mutual Insurance Companies	United States	<p>Q188 Comment on Standard CF10.3a</p> <p>To clarify the meaning of 10.3.3 and 10.3a both sections should include the language indicating when such measures should be triggered. The intention is not clear without such language. We suggest:</p> <p>a. 10.3.3 “IF THE INSURER FAILS TO OPERATE IN A MANNER CONSISTENT WITH REGULATORY REQUIREMENTS, the supervisor may require . . .”</p> <p>b. 10.3a “IF THE IAIG FAILS TO OPERATE IN A MANNER CONSISTENT WITH REGULATORY REQUIREMENTS, the group-wide supervisor requires. . .”</p> <p>Also in 10.3.3 the description of circumstances when it may be appropriate for the supervisor to require a recovery implies application only to a specific type of company and not just generally applicable to the industry. It seems that last sentence of the section should be moved into 10.3a.</p>
587. The Travelers Companies, Inc.	United States	<p>The ComFrame material integrated into the ICP includes prescriptive guidelines regarding the IAIG’s recovery plan – including pre-defined trigger criteria. We believe the requirement to develop a recovery plan is not appropriate for IAIG’s and better suited to GSIs. The only IAIGs that may need to develop recovery plans are those that may be financially weak and fail certain solvency thresholds. In those cases, the requirement to develop a recovery plan should be left to the judgment of the group-wide supervisor depending on the facts and circumstances relevant to the particular IAIG, including the particular cause of the weakness.</p> <p>Therefore, we propose the following revised wording of the CF10.3 Standard:</p> <p>“If an IAIG fails certain solvency thresholds or significant concerns are identified during a supervisory college, the group-wide supervisor should determine whether the IAIG should develop a recovery plan and take actions for recovery.”</p>
588. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>CF 10.3a confuses two concepts: specific action plans that may be required by supervisors in the event, for example, of a breach of 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 manage a future crisis. The former specific action plan is a tool readily available to most (if not all) supervisors and is adequately covered in ICP 10.4. The latter, forward-looking, contingency plan, is correctly recognized within ICP 10 as “a part</p>

		<p>of the risk management process” (CF10.3a.7) and should in all cases be discretionary, subject to principle of proportionality and the product of active discussion among the insurers’ management, the group-wide supervisor and Crisis Management Group.</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>
589. ACLI	US	<p>There should be an acknowledgement and encouragement of proportionality throughout this CF. Not every group needs a recovery plan, and not requiring one should be an option for the supervisor.</p> <p>The less prescriptive the CF the more useful it will be. Supervisors should focus on the toolbox available to the IAIG instead of detailed, quantitative planning oversight. The Supervisor should provide guidance, and leave wide discretion to the group to select the best-suited corrective action(s).</p> <p>The emphasis of this CF should be on the preventive nature of any planning and review, and it should also be acknowledged that any recovery planning is in reality an extension of internal risk management planning.</p> <p>There should be cost/benefit analyses built into all aspects of recovery planning. Any recovery planning should be focused on where there is demonstrable stress, and the components of any required recovery planning should have demonstrable benefits that equal or exceed their associated costs.</p> <p>To be consistent with ICP 10.3.3, this element should read: “The group-wide supervisor may require the IAIG to:”. In addition, to be consistent with the proportionality principle, the supervisor should have the discretion to accept alternative submissions in lieu of a separate, formal recovery plan to the extent such submissions collectively satisfy the standard set forth in ICP 10.3.</p>
590. American Insurance Association	USA	<p>This guidance creates an extremely onerous requirement for every IAIG to prepare recovery plans in the absence of a required capital breach. Such plans may be ineffective when they would be needed because they are premised upon circumstances that were unknown when the plans were developed, and therefore become irrelevant if actual developments differ significantly from the plan. It is more important that supervisors work together if capital is to be re-distributed.</p> <p>AIA recommends that this section be redrafted to incorporate a defined trigger for requiring a recovery plan. There should be NO requirement for IAIGs to develop recovery plans simply because of their status as an IAIG. Mandatory recovery plans should only apply to a G-SII after a finding that the G-SII creates systemic risk.</p>

591. CNA	USA	<p>CNA believes requiring all IAIG’s to prepare and update on an annual basis a group recovery plan is an overly burdensome and costly expansion of regulation intended for systemically important insurers by both the FSB and Dodd Frank. If this proposed requirement is attempting to answer the hypothetical question of what a firm would do if faced with capital deficiency under extreme stress situations we would say the cost far outweighs the benefit for firms that exceed stressed PCR on both a group and legal entity basis. It is a very expensive leap of faith to say that the capital management requirement for the ORSA, as discussed in ICP 16, should be expanded to a full recovery plan. We would recommend that proportional guidance needs to be developed for recovery planning and only those firms that breach the PCR threshold be required to prepare and maintain recovery and resolution plans. This would be a far more pragmatic approach and could have tangible benefit for the policyholders we are all attempting to protect.</p>
592. Liberty Mutual Insurance Group	USA	<p>Although any reasonable business enterprise would be well advised to have appropriate plans in place to respond to crisis situations, the Recovery Plan as currently contemplated would be burdensome and costly to prepare because of the mandatory elements of a Recovery Plan set forth in CF10.3a.9 and CF10.3a.10. An IAIG must have the flexibility to determine what type of recovery measures it should have in place based on its own business judgment. Regulatory review of such measures must be outcomes-based and not prescribe the content of how the IAIG will respond to and recover from stresses.</p>
593. MetLife, Inc	USA	<p>CF 10.3 appears to conflate the following two forms of “recovery plan,” without distinguishing their separate objectives:</p> <ul style="list-style-type: none"> a) A specific action plan that may be required of insurers who fail to meet a supervisor’s identified concerns or who fall below a prescribed threshold; and b) A forward-looking plan that identifies in advance the range of options available to an insurer to restore financial strength and viability. <p>The former is a tool already available to supervisors under many (if not all) insurance frameworks and is adequately addressed in ICP 10.4 and elsewhere.</p> <p>The latter, which is more consistent with ICP 10.3.3 and CF 10.3a.5, would serve not as a directive to take specific actions upon the occurrence of specific triggers, but as a guide for the insurer and the supervisors for crisis preparedness and crisis management.</p> <p>An insurer’s preparation of a recovery plan as described at b) above should not be a requirement and should be subject to the principle of proportionality. As such, it would be requested only at supervisory discretion after consideration of the IAIG’s nature, scale and complexity, and active discussion among the regulated entity, the group wide supervisor and Crisis Management Group.</p>

		<p>In the event a recovery plan is agreed to by all affected parties, management must maintain wide discretion to select key risks and the appropriate recovery tools, given the inherent unpredictability in actual stress events. The emphasis should not be on end results, but on the learnings derived from the process of understanding what tools are available to react to a broad range of potential threats to the financial health of the company; what levers does management have at its disposal and what structures are in place to support their deployment, if and when required?</p> <p>Additionally, the supervisor should have the discretion to accept alternative submissions in lieu of a separate, formal recovery plan to the extent such submissions collectively satisfy the standard and should have flexibility regarding the frequency with which such plans must be updated. Absent a material change to an insurer's business structure, an annual update requirement may prove unnecessary and unduly burdensome.</p> <p>Consideration of recovery plans is correctly recognized within ICP 10 as "a part of the risk management process" and, to avoid future confusion, MetLife believes that guidance on preparation of recovery planning as described at b) above should be incorporated in ComFrame sections related to ICP 16, (Enterprise Risk Management for solvency purposes) as a complement to other elements and criteria that address risk management.</p>
594. Property Casualty Insurers Association of America (PCI)	USA	<p>IAIGs should not be required in all cases to develop a recovery plan. These plans are very costly and time-intensive, and increase costs for policyholders. Proportionality and cost/benefit analysis should be performed by the group-wide supervisor before the decision is made to require an IAIG to develop a recovery plan.</p> <p>Consistent with the proportionality principle, the supervisor should have the discretion to accept alternative submissions in lieu of a separate, formal recovery plan to the extent such submissions collectively satisfy the standard set forth in ICP 10.3.</p>
595. North American CRO Council	USA/Canada/ Bermuda	<p>CF 10.3a lays out a detailed approach that the group supervisor must require the IAIG to develop on behalf of all material entities within the group, including holding companies and non-regulated entities. This is a significant exercise. More importantly, the plan must identify in advance options to restore financial strength and viability, and include options to respond to a range of stress scenarios including the management actions the IAIG would take to manage the potential cash flow implications of the stress scenario. From a risk management perspective, this is simply unworkable given the number potential outcomes and the impossibility of predicting and documenting future, contingent management actions. Spending time and resources to document events that are both uncertain and fact specific may provide supervisors with a sense of security but with an outcome unlikely to be useful in reality.</p> <p>While we do not support a prescriptive recovery plan requirement for IAIGs, we do agree that all insurers should be able to demonstrate thoughtful, robust business continuity planning which includes processes the insurer would undertake in order to promptly and competently respond to stress. To this point, we agree with the bullet point in</p>

			CF10.3a.8 that provides that the IAIG should identify the functions or services that are critical to the group and the generic processes in place to ensure a timely response to stress events, including maintenance of management information systems. However, this is an area that can be addressed through the ORSA and without new regulation such as CF 10.3. As such, we encourage the recovery plan concept to be limited to circumstances where the insurer has triggered an actual regulatory threshold and be focused on the associated circumstances. By limiting the recovery plan to these specific instances, versus being applied more broadly, risk management resources can remain focused on value-add risk management activities and the ORSA process.
189 - Q189 Standard CF10.3a Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
597. Dai-ichi Life Holdings, Inc.	Japan	Partially	We have not developed a recovery plan, but we have implemented ORSA and set up an action plan for certain triggers.
598. General Insurance Association of Japan	Japan	No	As insurers need to take additional measures such as internally ensuring personnel or hiring external consultants to develop a recovery plan, they will bear a heavy cost in complying with ComFrame. From this perspective, and for the other reasons we pointed out in our answer to Q188 (considering the balance between the merits and the costs), it is not practical to require IAIGs to develop a recovery plan in a uniform manner.
600. Swiss Re	Switzerland	Yes	Swiss Re maintains a recovery plan.
601. Zurich Insurance Company Ltd.	Switzerland	Yes	Zurich maintains a recovery plan.
602. Liberty Mutual Insurance Group	USA	No	Liberty Mutual has various capital contingency plans to deal with potential stresses. These plans amount to high level strategic responses, that present a series of cascading options based on the type of stress. We maintain and regularly update the underlying analyses for these strategies. However, we do not have a unified, consolidated group wide Recovery Plan that is anything remotely like that contemplated by CF10.3.
190 - Q190 Standard CF10.3a What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q189 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
603. Dai-ichi Life Holdings, Inc.	Japan		There is a possibility that it may lead to heavy burden depending on the required level for the recovery plan. Therefore, recovery plan should be narrowed to the minimum necessary requirement based on proportionality.

604. General Insurance Association of Japan	Japan	As insurers need to take additional measures such as internally ensuring personnel or hiring external consultants to develop a recovery plan, they will bear a heavy cost in complying with ComFrame.
605. Institute of International Finance/Geneva Association	United States/Switzerland and	Without specific details regarding the content and scope of the recovery plan that the Company's supervisor may require, it is impossible to assess the extent of any incremental costs.
606. Liberty Mutual Insurance Group	USA	A detailed, more granular recovery plan such as that described in this standard would cost Liberty Mutual tens of millions of dollars to implement.
607. MetLife, Inc	USA	Without specific details regarding the content and scope of the recovery plan that the Company's supervisor may require, it is impossible to assess the extent of any incremental costs.
191 - Q191 Standard CF10.3a What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q189 that would have to be made solely for purposes of ComFrame (please specify the currency)?		
608. Dai-ichi Life Holdings, Inc.	Japan	There is a possibility that it may lead to heavy burden depending on the required level for the recovery plan. Therefore, recovery plan should be narrowed to the minimum necessary requirement based on proportionality.
609. General Insurance Association of Japan	Japan	As insurers need to take additional measures such as internally ensuring personnel or hiring external consultants engaged in the maintenance, ongoing verification and review of a recovery plan, they will bear a heavy cost in complying with ComFrame.
610. Liberty Mutual Insurance Group	USA	A detailed, more granular recovery plan such as that described in this standard would cost Liberty Mutual tens of millions of dollars to maintain.

611. MetLife, Inc	USA	Without specific details regarding the content and scope of the recovery plan that the Company's supervisor may require, it is impossible to assess the extent of any incremental costs.	
192 - Q192 Standard CF10.3a Please provide the assumptions made to estimate the one-time costs (Q190) and the ongoing costs per year (Q191).			
612. Dai-ichi Life Holdings, Inc.	Japan	It is difficult to set concrete assumptions from the current criteria. If IAIS can see the concreteness. Once recovery plan has become more concrete, impact analysis should be conducted.	
193 - Q193 Standard CF10.3a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
614. Dai-ichi Life Holdings, Inc.	Japan	No benefit	If a cooperation and coordination between supervisors will be established, it is considered that there is a certain advantage of recovering proceeds smoothly by planning in advance. However, since it is unknown how much it costs, it can't be said that there is comprehensive profit at this moment.
615. General Insurance Association of Japan	Japan	Minimum benefit	While we understand, to a certain degree, that it is meaningful to develop a recovery plan to prepare for a crisis, it is impractical to require all IAIGs to develop one in a uniform manner, in consideration of the balance between the accompanying costs and the merits.
618. Canadian Institute of Actuaries	Ontario	Very beneficial	
619. Swiss Re	Switzerland	Reasonably beneficial	Recovery planning makes insurers more resilient in the face of potential adverse developments, and provides the firm and the supervisor with possible recovery options to draw upon.
620. Zurich Insurance Company Ltd.	Switzerland	Reasonably beneficial	Recovery planning makes insurers more resilient in the face of potential adverse developments, and provides the firm and the supervisor with possible recovery options to draw upon.
621. Liberty Mutual Insurance Group	USA	No benefit	A Recovery Plan that satisfied the standards set forth in CF10.3a would not be cost effective. Moreover, the more granular, detailed and specific a

		recovery plan attempts to be the less valuable it is because of the greater risk those details will turn out to be incorrectly estimated. Broader, higher level plans such as Liberty Mutual's are inherently more predictable and therefore more beneficial and effective.
194 - Q194 Comment on Guidance CF10.3a.1		
622. Insurance Europe	Europe	This comment introduces a series of factors which would have to be taken into account by the supervisor when setting recovery plan requirements. Insurance Europe believes that the proportionality principle should also be applied when considering whether the set-up of recovery plans is actually needed in all cases. This would ensure that certain firms do not devote unnecessary resources developing such plans when the relevance of doing so is rather limited and could be counter-productive where it acts as a distraction for more effective preventative measures. There should be a possibility for national supervisory authorities to exclude insurers that are less complex from the scope of this requirement.
623. GDV - German Insurance Association	Germany	Compare to Q185. There should be a possibility for national supervisory authorities to exclude insurers that are less complex or relevant from the scope of this requirement.
624. Global Federation of Insurance Associations	Global	<p>We welcome that this ComFrame guidance includes language that explicitly gives consideration to proportionality with regard to the form, content and detail of the recovery plan and the frequency for updating the plan. This comment introduces a series of factors which would have to be taken into account by the supervisor when setting recovery plan requirements as a corrective measure. The proportionality principle should also be applied when considering whether the set-up of recovery plans is actually needed in all cases. Applying the proportionality principle would ensure that certain firms do not devote unnecessary resources developing such plans when the relevance of doing so is rather limited and could be counter-productive where it acts as a distraction for more effective, preventative measures. There should be a possibility for national supervisory authorities to exclude insurers that are less complex from the scope of this requirement.</p> <p>IAIS should further review provisions regarding recovery plan (i.e., CF 10.3a, CF 10.3b and guidance under those standards). We would welcome refinement that narrows these provisions to the minimum necessary.</p> <p>We also note the inconsistency between this ComFrame guidance and CF 10.3a.10, which assumes the group-wide supervisor to be responsible for reviewing recovery plan. "The group-wide supervisor" should replace "the supervisor".</p>

625. Dai-ichi Life Holdings, Inc.	Japan	<p>We welcome the language on CF.10.3a.1 which states proportionality of recovery plan in terms of IAIG’s nature, scale, and complexity of setting recovery plan requirements.</p> <p>We expect the IAIS to continue further reviewing provisions regarding recovery plan in the CF10.3a, CF10.3.b and related guidance, and to make contents of recovery plan narrowed down to requisite minimum, which leads to avoiding the excessive burden of recovery plan.</p>
626. General Insurance Association of Japan	Japan	<p>To make the intent of the guidance clearer, we suggest adding the following at the beginning of it: "Under the proportionality principle,"</p>
627. The Life Insurance Association of Japan	Japan	<p>We welcome this ComFrame guidance as it includes some languages that explicitly provide consideration to proportionality with regard to the form, content and detail of the recovery plan and the frequency for updating the plan.</p> <p>The IAIS should further review provisions regarding the recovery plan (i.e. CF 10.3a, CF 10.3b and guidance under these standards). We would welcome refinement that narrows these provisions to the minimum necessity.</p> <p>We note the inconsistency between this ComFrame guidance and CF 10.3a.10, which assumes the group-wide supervisor to be responsible for reviewing the recovery plan. “The group-wide supervisor” should replace “the supervisor”.</p>
628. Swiss Re	Switzerland	<p>We welcome the reference to proportionality. As stated in our response to Q131 for example, proportionality should apply to the various dimensions of the recovery planning effort.</p> <p>While proportionality will be important in the supervisors’ decision regarding the overall expectations towards a given recovery plan, proportionality will also guide the detailed content of the plan. This should apply to CF10.3a.4, 10.3a.6 etc.</p>
629. Zurich Insurance Company Ltd.	Switzerland	<p>We welcome the reference to proportionality. As stated in our response to Q131 for example, proportionality should apply to the various dimensions of the recovery planning effort.</p> <p>While proportionality will be important in the supervisors’ decision regarding the overall expectations towards a given recovery plan, proportionality will also guide the detailed content of the plan. This should apply to CF10.3a.4, 10.3a.6 etc.</p>

<p>630. Association of British Insurers</p>	<p>United Kingdom</p>	<p>Where a recovery plan is required as a supervisory or corrective measure, they should be proportionate with respect to what insurers include in their recovery plan. The ABI therefore welcomes the explicit reference to considering the particular characteristics of the IAIG, rather than adopting a one-size-fits-all approach to recovery planning.</p> <p>We agree that the form, content and detail of the recovery plan should be determined by the nature of the insurer, and suggest that the Guidance clarifies that a “recovery plan” need not always be a stand-alone, specially-prepared “plan”, but could instead point to work the insurer had already done to consider options for restoring financial strength and viability, e.g. internal capital policies.</p> <p>As to the point on frequency of updating, we suggest that this Guidance creates confusion as to whether the recovery plan is an internal risk management tool, or whether it is a corrective measure, required because there is a breach. Only where the recovery plan is a corrective measure should the supervisor be setting requirements as to the frequency of updating. Where recovery plan that is an internal risk management tool, the frequency of updating should be determined by the business, based on material changes to risk or business structure. The long-term nature of life insurance business in particular suggests that the requirement to update the plan should not be unnecessarily frequent.</p>
<p>631. National Association of Mutual Insurance Companies</p>	<p>United States</p>	<p>Q194 Comment on Guidance CF10.3a.1</p> <p>We welcome that this ComFrame guidance includes language that explicitly gives consideration to proportionality with regard to the form, content and detail of the recovery plan and the frequency for updating the plan. This comment introduces a series of factors which would have to be taken into account by the supervisor when setting recovery plan requirements as a corrective measure. The proportionality principle should also be applied when considering whether the set-up of recovery plans is actually needed in all cases. Applying the proportionality principle would ensure that certain firms do not devote unnecessary resources developing such plans when the relevance of doing so is rather limited and could be counter-productive where it acts as a distraction for more effective, preventative measures. There should be a possibility for national supervisory authorities to exclude insurers that are less complex from the scope of this requirement.</p>
<p>632. Institute of International Finance/Geneva Association</p>	<p>United States/Switzerland and</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. After such a recovery plan is agreed to by all involved parties, management must maintain wide discretion to select key risks and the appropriate recovery tools. We ask the IAIS to leave enough room for supervisory discretion, amongst others to accept alternative submissions in lieu of a separate formal recovery plan, when drafting the ComFrame standards currently under consideration.</p>

633. ACLI	US	Supervisors should have the discretion to determine that, based on the nature, scale, and complexity of the IAIG, additional recovery planning efforts are unnecessary.
634. MetLife, Inc	USA	Supervisors should have the discretion to determine that, based on the nature, scale and complexity of the IAIG, additional recovery planning efforts are unnecessary.
635. Property Casualty Insurers Association of America (PCI)	USA	Supervisors should have the discretion to determine that, based on the nature, scale and complexity of the IAIG, additional recovery planning efforts are unnecessary.
195 - Q195 Comment on Guidance CF10.3a.2		
636. Insurance Europe	Europe	Insurance Europe agrees. Bearing in mind that Insurance Europe believes a recovery plan should only be required where this would provide a tangible benefit, per the principle of proportionality. In addition it should be noted that pre-defined criteria may trigger consideration of recovery actions, as the exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances.
637. Global Federation of Insurance Associations	Global	GFIA generally agrees. However, GFIA believes a recovery plan should only be required where it this would provide a tangible benefit, per the principle of proportionality. In addition, pre-defined criteria may trigger consideration of recovery actions, as the exact nature and timing of recovery action will be a matter requiring management discretion, depending on the circumstances.
638. Canadian Institute of Actuaries	Ontario	We believe the last sentence could suggest a premature assessment of the effectiveness of a recovery plan. We suggest it could more appropriately read “The group-wide supervisor monitors the IAIG’s implementation of its recovery plan, and requires an IAIG to take further actions where actions for recovery already taken by the IAIG are shown to be ineffective or insufficient.”
639. Swiss Re	Switzerland	Recovery is the responsibility of the IAIG as stated in CF10.3a.2. This should be more adequately reflected in ICP10.2 and 10.3 when focusing on preventive and corrective measures to avoid confusion regarding roles and responsibilities. While the criteria may be pre-defined, the recovery options proposed in the plan should not automatically be acted upon, as the actual recovery situation must be understood.

640. Zurich Insurance Company Ltd.	Switzerland	<p>Recovery is the responsibility of the IAIG as stated in CF10.3a.2. This should be more adequately reflected in ICP10.2 and 10.3 when focusing on preventive and corrective measures to avoid confusion regarding roles and responsibilities.</p> <p>While the criteria may be pre-defined, the recovery options proposed in the plan should not automatically be acted upon, as the actual recovery situation must be understood.</p>
641. Association of British Insurers	United Kingdom	<p>Pre-defined criteria should trigger consideration of recovery actions under the recovery plan, as the exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances. As noted in Guidance CF10.3a.5, the plan should serve as a guide for crisis preparedness and management.</p>
642. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>Recovery is the responsibility of the IAIG as stated in CF10.3a.2. This should be more adequately reflected in ICP10.2 and 10.3 when focusing on preventive and corrective measures to avoid confusion regarding roles and responsibilities, regarding the duties (and powers) of supervisors and remit of insurers.</p> <p>As noted in the question above, we would urge against the establishment of prescriptive and rigid triggers for specific recovery actions. Actual stress events are inherently unpredictable and management must be afforded significant discretion to select and utilize the appropriate recovery tools at the appropriate times.</p> <p>While the trigger criteria may be pre-defined, the recovery options proposed in the plan should not automatically be acted upon as the actual recovery situation must be assessed and may differ from the scenarios considered in the plan, and the exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances.</p> <p>For example, if the IAIG were to breach certain pre-defined criteria that trigger recovery actions due to short-term fluctuations, it may not be reasonable to immediately implement recovery actions. The business environment and financial condition must be comprehensively considered.</p>
643. ACLI	US	<p>Supervisors should have the discretion to determine that, based on the nature, scale, and complexity of the IAIG, additional recovery planning efforts are unnecessary.</p>
644. CNA	USA	<p>CNA has significant concerns related to the proposed requirement that a group must take agreed upon action when any pre-defined criteria that trigger recovery actions are met. Hypothetical stress events in both the ORSA and potentially the recovery plan are inherently unpredictable and management must be afforded significant discretion to select and utilize the appropriate recovery actions taken based on the facts and circumstances present when an actual breach of solvency occurs.</p>

645. MetLife, Inc	USA	Please see our comments in response to Q. 188 above. . With respect to forward-looking recovery plans designed as guides for crisis preparedness and crisis management, we would urge against the establishment of rigid, pre-defined triggers for recovery actions.
646. Property Casualty Insurers Association of America (PCI)	USA	Because every stress event is different, we would urge against the establishment of rigid, pre-defined triggers for specific recovery actions.
196 - Q196 Comment on Guidance CF10.3a.3		
647. Insurance Europe	Europe	Insurance Europe is concerned by the reference to a “strong likelihood that the insurer’s solvency position will be below the PCR level”. This could be read as requiring firms to hold more than the PCR, as not doing so would mean they would be required to implement recovery actions to reduce the likelihood of falling below this level. The IAIS should clarify that this is not the intention of the provision. In addition as noted in Q195 above, IAIS should clarify that the pre-defined criteria may trigger consideration of recovery actions.
648. Global Federation of Insurance Associations	Global	<p>GFIA is concerned by the reference to a “strong likelihood that the insurer’s solvency position will be below the PCR level.” This provision could be read as requiring firms to hold more than the PCR, as not doing so would mean they would be required to implement recovery actions to reduce the likelihood of falling below this level. The IAIS should clarify that this is not the intention of the provision.</p> <p>Given that there is an on-going discussion on the calibration and the usage of ICS, we believe it is premature to include an example of a PCR trigger. Further discussion is needed before such an example can be included.</p>
649. Insurance Ireland	Ireland	Extremely vague- if, as a consequence of, weak solvency a company is required by GWS to develop a plan- there should be a defined trigger event. Dialogue and requirement to develop recovery plans should be based on a case-by-case agreement.
650. The Life Insurance Association of Japan	Japan	<p>This guidance refers to a strong likelihood the insurer’s solvency position will be below the PCR level as an example of the qualitative criteria that trigger recovery actions. We understand this guidance does not intend to decide whether to trigger recovery actions based solely on the breach of PCR.</p> <p>Nevertheless, given there is an on-going discussion on the calibration and the usage of ICS, we believe it is premature to include an example of a PCR trigger. Further discussions are needed before such an example can be included.</p>

651. Swiss Re	Switzerland	<p>The triggers that are referred to in CF10.3a.3 must be mentioned in the standard CF10.3a. We question only referring to solvency (PCR) in the text. Instead, the IAIS should propose a non-exhaustive list of other relevant triggers drawing upon the FSB material.</p> <p>Also we note that the IAIS makes no reference to the nature of the triggers: the triggers could be informed by accounting, statutory or supervisory data etc.</p>
652. Zurich Insurance Company Ltd.	Switzerland	<p>The triggers that are referred to in CF10.3a.3 must be mentioned in the standard CF10.3a. We question only referring to solvency (PCR) in the text. Instead, the IAIS should propose a non-exhaustive list of other relevant triggers drawing upon the FSB material.</p> <p>Also we note that the IAIS makes no reference to the nature of the triggers: the triggers could be informed by accounting, statutory or supervisory data etc.</p>
653. Association of British Insurers	United Kingdom	<p>Any pre-defined criteria for considering the triggering of recovery actions should be at the discretion of the management, where the recovery plan is a management tool.</p> <p>In addition, as noted in Q195 above, IAIS should clarify that the pre-defined criteria may trigger consideration of recovery actions by the insurer's management. The recovery actions anticipated in the recovery plan will not always be the appropriate actions to take, and actions should be taken on a case-by-case basis.</p>
654. Chubb	United States	<p>As set forth above, we do not support the requirement to produce a recovery plan being imposed on healthy IAIGs. A group-wide supervisor may be able to define a threshold for intervention based on the jurisdictional capital requirements that if breached, could trigger the requirement to produce a recovery plan. This would be in response to a real situation rather than a hypothetical scenario and would therefore be justified.</p>
655. National Association of Mutual Insurance Companies	United States	<p>Q196 Comment on Guidance CF10.3a.3</p> <p>The reference to "pre-defined criteria" in this section raises several questions. Who is to create the predefined criteria? Will the criteria be individualized for a firm at the time they are required to create a recovery plan or is it intended that the criteria apply to all firms equally? This is a problematic section of the ICP.</p>
656. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>As noted above, we would urge against the establishment of prescriptive and rigid triggers for specific recovery actions. Actual stress events are inherently unpredictable and management must be afforded significant discretion to select and utilize the appropriate recovery tools at the appropriate times.</p>
657. ACLI	US	<p>As noted above, we would urge against the establishment of prescriptive and rigid triggers for specific recovery actions. Actual stress events are inherently unpredictable and management must be afforded significant discretion to select and utilize the appropriate recovery tools at the appropriate times</p>

658. CNA	USA	<p>As noted in Q195 above, the IAIS should clarify that the pre-defined criteria may trigger consideration of recovery actions, not necessarily immediate execution.</p> <p>The triggers that are referred to in CF10.3a.3 must be mentioned in the standard CF10.3a.</p> <p>Also we note that the IAIS makes no reference to the nature of the triggers: the triggers could be based on accounting, statutory or supervisory data etc.</p>
659. MetLife, Inc	USA	<p>This provision appears to relate to “specific action” recovery plans, rather than “forward-looking” recovery plans. As noted above, and in response to Q. 188, we would urge against the establishment of prescriptive and rigid triggers for recovery plans that serve as guides for crisis preparedness and management. Actual stress events are inherently unpredictable and management must be afforded significant discretion to select and utilize the appropriate recovery tools at the appropriate times.</p>
660. Property Casualty Insurers Association of America (PCI)	USA	<p>As noted above, we would urge against the establishment of prescriptive and rigid triggers for specific recovery actions. Actual stress events are inherently unpredictable and management must be afforded significant discretion to select and utilize the appropriate recovery tools at the appropriate times.</p>
197 - Q197 Comment on Guidance CF10.3a.4		
661. Swiss Re	Switzerland	<p>The requirement appears to introduce the concept of material legal entities and service companies (as part of the non-regulated companies category), which is a concept from resolution planning (“living wills”). While resolution represents the next step in the life cycle of a firm, when all preventive and corrective measures, including from recovery, have failed. Measures applicable to a going-concern case and a gone-concern case will be different. We therefore urge the IAIS to keep recovery planning and resolution planning separate, and only adopt the necessary concepts that ensure that the bridging of two separate phases can be handled.</p>
662. Zurich Insurance Company Ltd.	Switzerland	<p>The requirement appears to introduce the concept of material legal entities and service companies (as part of the non-regulated companies category), which is a concept from resolution planning (“living wills”). While resolution represents the next step in the life cycle of a firm, when all preventive and corrective measures, including from recovery, have failed. Measures applicable to a going-concern case and a gone-concern case will be different. We therefore urge the IAIS to keep recovery planning and resolution planning separate, and only adopt the necessary concepts that ensure that the bridging of two separate phases can be handled.</p>
663. Chubb	United States	<p>This contemplates a very prescriptive approach that the group supervisor must require the IAIG to develop on behalf of all material entities within the group, including holding companies and non-regulated entities. This is an</p>

		enormous undertaking on behalf of global groups that may have tens of subsidiaries. More importantly, the plan must identify in advance options to restore financial strength and viability, and include options to respond to a range of stress scenarios including the management actions the IAIG would take to manage the potential cash flow implications of the stress scenario. This is a completely unworkable and unnecessary requirement given the infinite potential scenarios which no insurer can accurately predict. Spending time and resources describing specific actions which would be undertaken in response to unknowable, limitless scenarios may provide supervisors with a false sense of security but in reality accomplishes nothing.
664. ACLI	US	The term “material entities” should be defined. This and all other guidance elements should be subject to the proportionality principle and limited to the extent of the group-wide supervisor’s authority under applicable law.
665. CNA	USA	CNA believes materiality needs to be defined somewhere in the ICP’s to guide evaluation of the applicable entities.
666. MetLife, Inc	USA	“Material entities” should be defined. This and all other guidance elements should be subject to the proportionality principle and limited to the extent of the group-wide supervisor’s authority under applicable law.
667. Property Casualty Insurers Association of America (PCI)	USA	"Material Entities" should be defined. This and all other guidance elements should be subject to the proportionality principle and limited to the extent of the group-wide supervisor’s authority under applicable law.
198 - Q198 Comment on Guidance CF10.3a.5		
668. Association of British Insurers	United Kingdom	The ABI welcomes the statement that the recovery plan should serve as a guide, as the recovery plan is a management tool, with the actions taken for an insurer’s management to decide.
669. Institute of International Finance/Geneva Association	United States/Switzerland and	Please refer to our response to question 132.
670. CNA	USA	CNA agrees that a recovery plan – if required – should serve as a guide rather than a prescriptive, rigid path that must be followed in a severe stress event. We believe the guidance included in 10.3a5 should be more prominently placed within the text, such as adding the guidance to the end of CF10.3a.
199 - Q199 Comment on Guidance CF10.3a.6		
671. Insurance Europe	Europe	Insurance Europe notes that intra-group transactions are often subject to supervisory scrutiny. In this context, the request for a cash flow analysis under stressed conditions for recovery planning purposes appears to go too far. Instead, Insurance Europe recommends a qualitative discussion of the significant intra-group transactions.

672. Global Federation of Insurance Associations	Global	GFIA notes that intra-group transactions are often subject to supervisory scrutiny. In this context, the request for a cash flow analysis under stressed conditions for recovery planning purposes appears to go too far. Instead, GFIA recommends a qualitative discussion of the significant intra-group transactions.
673. General Insurance Association of Japan	Japan	While this guidance seemingly requires IAIGs to develop and maintain management information systems, a uniform application should be avoided as we mentioned in our answer to Q188. We agree that IAIGs should have in place a type of management information system. On the other hand, the proportionality principle should be fully applied. For example, the frequency of information collection should depend on the IAIG's systemic importance and the level of urgency of its recovery.
674. Swiss Re	Switzerland	We propose that the reference to stress situations be more encompassing. The IAIG should take into account the impact of stress situations (period). An analysis of the impact and plausibility of the various recovery measures for the given scenarios on the group seems more essential to us than a consideration of "cash flows". With regard to IGTs in particular we note that in a recovery situation (not a resolution situation) a general assumption is that jurisdictions do not "ring-fence" entities in their perimeter.
675. Zurich Insurance Company Ltd.	Switzerland	We propose that the reference to stress situations be more encompassing. The IAIG should take into account the impact of stress situations (period). An analysis of the impact and plausibility of the various recovery measures for the given scenarios on the group seems more essential to us than a consideration of "cash flows". With regard to IGTs in particular we note that in a recovery situation (not a resolution situation) a general assumption is that jurisdictions do not "ring-fence" entities in their perimeter.
676. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>We propose that the reference to stress situations be more encompassing: The IAIG should take into account the impact of stress situations (period). An analysis of the impact and plausibility of the various recovery measures for given scenarios seems more essential to us than a consideration of "cash flows". With regard to IGTs in particular we note that in a recovery situation (not a resolution situation) a general assumption is that jurisdictions do not "ring-fence" entities in their perimeter.</p> <p>Furthermore, any requirement(s) for "systems" should: 1) indicate that manual production is acceptable and 2) clarify what is meant by "a timely basis".</p>
200 - Q200 Comment on Guidance CF10.3a.7		
677. General Insurance Association of Japan	Japan	While we understand the importance of IAIGs' crisis management and risk management, it is impractical to require all IAIGs to develop a recovery plan in a uniform manner (please refer to our comment on Q188).

678. Swiss Re	Switzerland	<p>Modifications to legal structure and discontinuation of lines of business are valid recovery measures. However, such measures are few among many equally valid potential recovery measures. We are not convinced that these among other options need to be explicitly mentioned. If the IAIS maintains the presentation of some options over others, we would appreciate a clarification and the measures to be presented in an order of preference commensurate with a recovery situation (and not a resolution situation), because some insurers may well, in agreement with the group supervisor, not choose to focus on these.</p> <p>We understand that the modified legal structure the IAIS refers to is a consequence (ex-post) of the discontinuation of divestures or the discontinuation of business, i.e. it is not a measure undertaken ahead (ex-ante) of a recovery situation. The language could be clearer.</p> <p>The discontinuation of lines of business or the divestiture of entities tend to be last resort options. Last but not least, the concept of critical functions is indirectly introduced in recovery (second bullet point) when it should thematically be addressed in resolution planning. If maintained by the IAIS, it would be necessary to clarify what is addressed under the recovery planning heading, and what under the resolution planning one, and how everything fits together.</p>
679. Zurich Insurance Company Ltd.	Switzerland	<p>Modifications to legal structure and discontinuation of lines of business are valid recovery measures. However, such measures are few among many equally valid potential recovery measures. We are not convinced that these among other options need to be explicitly mentioned. If the IAIS maintains the presentation of some options over others, we would appreciate a clarification and the measures to be presented in an order of preference commensurate with a recovery situation (and not a resolution situation), because some insurers may well, in agreement with the group supervisor, not choose to focus on these.</p> <p>We understand that the modified legal structure the IAIS refers to is a consequence (ex-post) of the discontinuation of divestures or the discontinuation of business, i.e. it is not a measure undertaken ahead (ex-ante) of a recovery situation. The language could be clearer.</p> <p>The discontinuation of lines of business or the divestiture of entities tend to be last resort options. Last but not least, the concept of critical functions is indirectly introduced in recovery (second bullet point) when it should thematically be addressed in resolution planning. If maintained by the IAIS, it would be necessary to clarify what is addressed under the recovery planning heading, and what under the resolution planning one, and how everything fits together.</p>

680. Chubb	United States	<p>This section is collapsing risk management functions with legal functions. Risk management operates to prevent insolvency and demonstrates this competency in the risk management framework and ORSA. To require a recovery plan to describe how the insurer would continue operating, including through a modified legal structure, is completely unknowable until the stress occurs in which case, these decisions are controlled by legal requirements and options.</p> <p>While we do not support a prescriptive recovery plan requirement for IAIGs, we do agree that all insurers should be able to demonstrate thoughtful, robust business continuity planning which includes processes the insurer would undertake in order to promptly and competently respond to stress events. To this point, we agree with the bullet point in CF10.3a.8 that provides that the IAIG should identify the functions or services that are critical to the group and the generic processes in place to ensure timely respond to stress events, including maintenance of management information systems.</p>
681. National Association of Mutual Insurance Companies	United States	<p>Q200 Comment on Guidance CF10.3a.7</p> <p>We suggest that the reference to enterprise risk management in this section be eliminated. It should read: “Recovery plans [DELETE are an integral part of the risks management process of an IAIG, to] SHOULD identify actions to be taken in stress conditions that pose a serious risk to the viability of the IAIG, or any part of its . . . “</p>
682. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>Recovery plans outline the range of actions that may be taken in response to stress events. We would urge against dictating that an insurer take a specific course of action upon the occurrence of specific, pre-defined triggers.</p> <p>Modifications to legal structure and discontinuation of lines of business could be valid potential recovery measures, however, such measures are few among many equally valid recovery measures. We are not convinced that these among other options need to be mentioned. If the IAIS maintains the presentation of some options over others, we would appreciate a clarification and the measures to be presented in an order of preference commensurate with a recovery situation (and not a resolution situation), because some insurers may well, in agreement with the supervisor, not choose to focus on these.</p>
683. ACLI	US	<p>Recovery plans outline the range of actions that may be taken in response to stress events. Again, we would urge against dictating that an insurer take a specific course of action upon the occurrence of specific, pre-defined triggers.</p>

684. CNA	USA	This guideline states that “recovery plans are an integral part of risk management” which from our perspective is a massive leap from the current standard especially when they were not deemed necessary for non-systemic firms by both the FSB and Dodd Frank. The cost of developing a recovery plan is excessive and in our opinion far exceeds the benefit for a group that far exceeds PCR on a group or legal entity basis. Based on this, CNA requests that this reference be removed from the document since it is factually inaccurate.
685. MetLife, Inc	USA	Recovery plans outline the range of actions that may be taken in response to stress events. Again, we would urge against dictating that an insurer take a specific course of action upon the occurrence of specific, pre-defined triggers.
686. Property Casualty Insurers Association of America (PCI)	USA	Recovery plans outline the range of actions that may be taken in response to stress events. Again, we would urge against dictating that an insurer take a specific course of action upon the occurrence of specific, pre-defined triggers.
201 - Q201 Comment on Guidance CF10.3a.8		
687. Insurance Europe	Europe	<p>Insurance Europe would suggest the following principles that should be followed when drafting a recovery plan:</p> <ul style="list-style-type: none"> • In general, if the probability of a company to enter in regulatory recovery is low, an additional pre-emptive recovery plan is less or not necessary. • A group recovery plan should be sufficient and should automatically satisfy requests for setting up national plans for subsidiaries, as recovery measures concern the whole group (e.g. intra-group capital injections). A myriad of local recovery plans would not only be confusing but would unduly increase the regulatory burden without bringing any added value. In addition, a group recovery plan would be deemed sufficient as increased cooperation and coordination between relevant authorities will have ensured that such plan is appropriate. This should apply to both groups based in the EU and groups based outside the EU but with subsidiaries in Europe. • The plan should be set up to include all material legal entities which make up a substantial part of the group’s total assets and operating profits. A broader scope would not yield any new recovery options. • The adequacy of recovery options should be assessed against, and commensurate to, the stresses applied. The modelled stresses should be restricted to a few meaningful ones and an idiosyncratic one, to test the adequacy of recovery options. At the same time, it must be recognised that testing cannot cover all circumstances and eventualities. • Data privacy must be secured when sharing the recovery plan among relevant supervisors and the confidentiality of the recovery plan must be ensured.

		<ul style="list-style-type: none"> • The plan should include the identification of possible recovery options, such as actions to strengthen the capital situation.
<p>688. GDV - German Insurance Association</p>	<p>Germany</p>	<p>GDV would suggest the following principles that should be followed when drafting a recovery plan:</p> <ul style="list-style-type: none"> • In general, if the probability of a company to enter in regulatory recovery is low, a recovery plan is less or not necessary. • A group recovery plan should be sufficient and should automatically satisfy requests for setting up national plans for subsidiaries, as recovery measures concern the whole group (e.g. intra-group capital injections). A myriad of local recovery plans would not only be confusing but would unduly increase the regulatory burden without bringing any added value. In addition, a group recovery plan would be deemed sufficient as increased cooperation and coordination between relevant authorities will have ensured that such plan is appropriate. This should apply to both groups based in the EU and groups based outside the EU but with subsidiaries in Europe. • The plan should be set up to include all material legal entities which make up a substantial part of the group's total assets and operating profits. A broader scope would not yield any new recovery options. • The recovery options should be commensurate to the stresses they are seeking to address. The modelled stresses should be restricted to a few meaningful ones and an idiosyncratic one. The number of large scale recovery options is limited, so using a larger number of tests would not help identify more recovery options. • Data privacy must be secured when sharing the recovery plan among relevant supervisors and the confidentiality of the recovery plan must be ensured. • The plan should include the identification of possible recovery options, such as actions to strengthen the capital situation. <p>In line with the principle of proportionality, and considering the long-term properties of life insurance business, insurers should be allowed to provide updated recovery plans at longer intervals and also when there are material changes in risk or business structure.</p>

<p>689. Global Federation of Insurance Associations</p>	<p>Global</p>	<p>For the first bullet in this section, there should be certain limitations on “a range of significant stress scenarios,” as development of recovery plans is likely to pose excessive burden on IAIGs, depending on the number of scenarios and the level of severity. The first bullet could be revised, for example, as follows:</p> <p>“concrete, credible options to respond to a range of significant stress scenarios that are deemed significant to the entity, including both idiosyncratic and market stress.”</p> <p>It should be underscored that recovery measures included in recovery plans are identified as provisional options and that, when recovery action is initiated, the IAIG will determine the suitable measurers as appropriate to the circumstances. The fourth and fifth bullet should be amended as follows in order to refer to such determination:</p> <ul style="list-style-type: none"> • The fourth bullet –“processes for the timely determination and implementation of recovery actions”; • The fifth bullet –“quantitative or qualitative trigger points, and governance and escalation mechanisms, for the timely determination and initiation of the plan or individual measures” <p>GFIA suggests the following principles that should be followed when drafting a recovery plan:</p> <ul style="list-style-type: none"> • In general, if the probability of a company to enter in regulatory recovery is low, an additional pre-emptive recovery plan is less or not necessary. • A group recovery plan should be sufficient and should automatically satisfy requests for setting up national plans for subsidiaries, as recovery measures concern the whole group (e.g. intra-group capital injections). A myriad of local recovery plans would not only be confusing but would unduly increase the regulatory burden without bringing any added value. In addition, a group recovery plan would be deemed sufficient as increased cooperation and coordination between relevant authorities will have ensured that such plan is appropriate. • The plan should be set up to include all material legal entities which make up a substantial part of the group’s total assets and operating profits. A broader scope would not yield any new recovery options. • The adequacy of recovery options should be assessed against, and commensurate with, the stresses applied. The modelled stresses should be restricted to a few meaningful ones and an idiosyncratic one, in order to test the adequacy of the recovery options. • Data privacy must be secured when sharing the recovery plan among relevant supervisors and the confidentiality of the recovery plan must be ensured.
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		<ul style="list-style-type: none"> • The plan should include the identification of possible recovery options, such as actions to strengthen the capital situation.
690. Dai-ichi Life Holdings, Inc.	Japan	<p>Wording "a range of significant stress scenarios" is associated with preparation for so many scenarios and setting of so complex stress levels that impose excessively heavy burden.</p> <p>Therefore we suggest that this element should be amended to "concrete, credible options to respond stress scenarios that are deemed significant to the entity, including both idiosyncratic and market stress."</p>
691. General Insurance Association of Japan	Japan	<p>As we described in our comment on Q188, not all IAIGs should be required to develop a recovery plan. Additionally, in the development and maintenance of a recovery plan, it is necessary to sufficiently consider jurisdictional circumstances. Therefore, in determining a range of issues including the content of a recovery plan, discretion of the home supervisor should be respected as much as possible.</p>
692. The Life Insurance Association of Japan	Japan	<p>For the first bullet point in this section, there should be certain limitations on "a range of significant stress scenarios," as the development of recovery plans is likely to pose excessive burden on IAIGs depending on the number of scenarios and the level of severity. The first bullet point could be revised, for example, as follows:</p> <p>"concrete, credible options to respond to a stress scenarios that are deemed significant to the entity, including both idiosyncratic and market stress."</p> <p>It should be underscored that the recovery measures included in the recovery plans are identified as provisional options and when recovery actions are initiated, the IAIG will determine the suitable measures they take as appropriate to the circumstances. The fourth and fifth bullet points should be amended as follows in order to refer to such determination:</p> <ul style="list-style-type: none"> – The fourth bullet point –"processes to ensure timely determination and implementation of recovery actions"; – The fifth bullet point –"quantitative or qualitative trigger points, and governance and escalation mechanisms, to ensure that the plan or individual measures are determined and initiated in a timely way"
693. Swiss Re	Switzerland	<p>Our comments to CF10.3a.7 largely apply to 10.3a.8 too, in particular regarding critical functions.</p> <p>With regard to the last bullet point: communication should address both INTERNAL and external stakeholders.</p>

694. Zurich Insurance Company Ltd.	Switzerland	<p>Our comments to CF10.3a.7 largely apply to 10.3a.8 too, in particular regarding critical functions.</p> <p>With regard to the last bullet point: communication should address both INTERNAL and external stakeholders.</p>
695. Association of British Insurers	United Kingdom	<p>The ABI suggests that references to ‘stress scenarios’ (first and second bullet points) should just be references to ‘stresses’.</p> <p>The recovery plan should include options to respond to stresses that arise, regardless of the scenarios that give rise to the stresses (which are addressed and updated regularly in the ORSA). If stress scenarios are used to inform the recovery options, then more scenarios would need to be modelled to ensure all possible scenarios are covered. What will be appropriate in a stress event will depend on the circumstances at that time. Instead, the modelled stresses should be limited to an idiosyncratic stress and a few systemic stresses. Stress testing should be used to assess the adequacy of recovery options and the reasonableness of the recovery plans.</p> <p>The ABI suggests amending bullet point 3 to also describe outsourced functions.</p>
696. Chubb	United States	<p>We agree that the IAIG should identify the functions or services that are critical to the group and the generic processes in place to ensure the ability to timely respond to stress events, including maintenance of IT functions. This assessment is determining whether the IAIG has appropriate business continuity plans developed rather than requiring specific responses to various assumptions and stress scenarios.</p>
697. National Association of Mutual Insurance Companies	United States	<p>Q201 Comment on Guidance CF10.3a.8</p> <p>This section is too prescriptive, especially if the supervisors are allowed or required to determine what is a critical function or service for the group. This is problematic most importantly if the list of critical functions includes those provided by the FSB.</p>
698. Institute of International Finance/Geneva Association	United States/Switzerland and	<p>As noted in CF 10.3a.1, the supervisor must have discretion to determine the appropriate content and detail of the recovery plan, based on the nature, scale and complexity of the IAIG. Accordingly, the lead-in to CF 10.3a.8 should state: “Recovery plans may, subject to the proportionality principle, include:” Further, CF 10.3a.8 should be revised to clarify that “critical” services and/or functions in this context refers to the importance of the service and/or function to the operations and viability of the Company and not to the economy more broadly.</p> <p>With regard to the last bullet point: communication should address both INTERNAL and external stakeholders.</p>

		<p>In line with prior comments regarding the need for recovery plans to not be overly prescriptive or binding, the second bullet should read as follows: “..... including management actions it COULD take to manage the potential”</p>
699. ACLI	US	<p>As noted in CF 10.3a.1, the supervisor must have discretion to determine the appropriate content and detail of the recovery plan, based on the nature, scale, and complexity of the IAIG. Accordingly, the lead-in to CF 10.3a.8 should state: “Recovery plans may, subject to the proportionality principle, include:” In addition, CF 10.3a.8 should be revised to clarify that “critical” services and/or functions in this context refers to the importance of the service and/or function to the operations and viability of the Company and not to the economy more broadly.</p> <p>Replace the term “should” with the term “may” to again reflect the permissive nature of ComFrame. There again needs to be a reflection of proportionality around the enumerated elements of this CF. Every group’s recovery plan does not need each one of the elements identified.</p> <p>There should be additional guidance with respect to the substance and location of the enumerated parts of a recovery plan. Thresholds and triggers should be should specifically characterized as numerical where appropriate, or by non-numerical measurements if and where that is preferred.</p> <p>The internal analyses of groups should be leveraged wherever possible to avoid duplication and unnecessary expense.</p> <p>Stress events are unpredictable, and accordingly specific triggers and rigid corrective measures are likely to miss the mark. Guidance rather than prescription will better serve regulated insurers and policyholders.</p>
700. CNA	USA	<p>What is the definition of services and/or functions that are critical?</p> <p>CNA is concerned about the requirement to take actions referenced in a recovery plan to address hypothetical stresses and use them to address actual stress situations if quantitative or qualitative trigger points are breached. Taking a black box mentality to address the situation would most likely make it worse. Management must have the ability to act responsibly to respond to the facts and circumstances of the situation and respond accordingly.</p>

701. MetLife, Inc	USA	<p>Please see our comments above in response to Q. 188. Also, as noted in CF 10.3a.1, the supervisor must have discretion to determine the appropriate content and detail of the recovery plan, based on the nature, scale and complexity of the IAIG.</p> <p>Accordingly, the lead-in to CF 10.3a.8 should state: "Recovery plans may, subject to the proportionality principle, include:"</p> <p>Further, CF 10.3a.8 should be revised to clarify that "critical" services and/or functions in this context refers to the importance of the service and/or function to the operations and viability of the Company and not to the economy more broadly.</p>
702. Property Casualty Insurers Association of America (PCI)	USA	<p>As noted in CF 10.3a.1, the supervisor must have discretion to determine the appropriate content and detail of the recovery plan, based on the nature, scale and complexity of the IAIG. Accordingly, the lead-in to CF 10.3a.8 should state: "Recovery plans may, subject to the proportionality principle, include:" Further, CF 10.3a.8 should be revised to clarify that "critical" services and/or functions in this context refers to the importance of the service and/or function to the operations and viability of the Company and not to the economy more broadly.</p>
202 - Q202 Comment on Guidance CF10.3a.9		
703. Insurance Europe	Europe	Please refer to response to Q201
704. General Insurance Association of Japan	Japan	<p>As we described in our comment on Q188, not all IAIGs should be required to develop a recovery plan. Additionally, in the development and maintenance of a recovery plan, it is necessary to sufficiently consider jurisdictional circumstances. Therefore, in determining a range of issues including the content of a recovery plan, discretion of the home supervisor should be respected as much as possible.</p>
705. ACLI	US	The lead-in to this element should read: "Possible measures for recovery may include...."
706. Property Casualty Insurers Association of America (PCI)	USA	We suggest this read "Possible measures for recovery may include:".
203 - Q203 Comment on Guidance CF10.3a.10		
707. Institute of International Finance/Geneva Association	United States/Switzerland and	The guidance should specify that recovery plans need only be reviewed when there has been a material change to an insurer's business structure and the plan has been revised accordingly. More frequent reviews could be unnecessary and unduly burdensome.

204 - Q204 Comment on Standard CF10.3b		
708. Insurance Europe	Europe	Insurance Europe would welcome more clarity on how proportionality would apply in the requirement for the maintenance of a Management Information System. This Standard should also clarify that it does not require a separate Management Information System to be maintained for the purposes of recovery planning, and that normal internal systems and controls can be adequate.
709. GDV - German Insurance Association	Germany	GDV would welcome more clarity on how proportionality would apply in the requirement for the maintenance of a Management Information System.
710. Global Federation of Insurance Associations	Global	<p>GFIA would welcome more clarity on how proportionality would apply in the requirement for the maintenance of a Management Information System.</p> <p>GFIA believes that CF 10.3b, which requires the IAIG to develop and maintain management information systems (MIS), needs to be reconsidered from the following three angles:</p> <ul style="list-style-type: none"> • It should be clarified that the content of information produced by management information system should be determined under the proportionality principle for example by giving due consideration to cost/benefit analysis; • It is not appropriate to give specific name to such a system such as “management information system (MIS)” as this would lead to the misunderstanding that resolution authorities must require the IAIG to develop certain pre-defined set of systems. “Adequate arrangements for information management” should replace “management information system”; and • The existing information system that IAIGs have in place should be recognised as an effective management information system where such existing system can function as envisaged by this Standard. It should be clarified that the supervisor does not necessarily require the IAIG to develop a brand-new system in such cases as it could impose excessive burden on IAIGs in terms of resources (e.g. financial, human). <p>To reflect these considerations, the standard should be redrafted as follows: “The supervisor requires that the IAIG to establish and maintain adequate arrangements for information management that are able to produce information on a timely basis in normal times for recovery. The IAIG can rely on the existing information system it has in place. When setting out detailed content for information produced by IAIG’s information management system should be decided proportionate to the nature, scale and complexity of the IAIG.”</p> <p>This Standard should also clarify that it does not require a separate Management Information System to be maintained for the purposes of recovery planning, and that normal internal systems and controls can be adequate.</p>

711. Dai-ichi Life Holdings, Inc.	Japan	<p>We recognize that it is not appropriate to develop a new system in terms of cost and benefit if necessary information can be provided through the current system in a timely manner.</p> <p>It should be clearly stated that it is not intended to construct a new system when necessary information can be provided through the existing information system in a timely manner.</p>
712. General Insurance Association of Japan	Japan	<p>While this guidance requires IAIGs to develop and maintain management information systems, a uniform application should be avoided as we mentioned in our answer to Q188. We agree that IAIGs should have in place a type of management information system. On the other hand, the proportionality principle should be fully applied. For example, the frequency of information collection should depend on the IAIG's systemic importance and the level of urgency of its recovery.</p>
713. The Life Insurance Association of Japan	Japan	<p>LIAJ believes CF 10.3b, which requires the IAIG to develop and maintain management information systems (MIS), needs to be reconsidered from the following three viewpoints:</p> <p>It should be clarified that content of information produced by the management information system should be determined under the proportionality principle, for example by giving due consideration to cost/benefit analysis;</p> <p>It is not appropriate to give a specific name to such a system such as "management information system (MIS)" as this would lead to the misunderstanding that resolution authorities must require the IAIG to develop a certain pre-defined system. "Adequate arrangements for information management" should replace "management information system"; and</p> <p>The existing information systems IAIGs have in place should be recognised as effective management information systems that can function as envisioned by this Standard. It should be clarified that the supervisor does not necessarily require the IAIG to develop a brand-new system as it could impose excessive burden on the IAIGs in terms of resources (e.g. financial, human).</p> <p>To reflect these considerations, the standard should be redrafted as follows: "The supervisor requires that the IAIG develop and maintain adequate arrangements for information system that are able to produce information on a timely basis in normal times for recovery. The IAIG can rely on the existing information system it has in place. When setting out detailed information content produced by the IAIG's information system, it should be decided proportionate to the nature, scale and complexity of the IAIG."</p>
714. Swiss Re	Switzerland	<p>We urge the IAIS to make explicit reference to the proportionality principle for this requirement and to specify their understanding of an MIS; otherwise this requirement leaves too much room for interpretation with regard to what</p>

		contents are, what is timely and what is sufficient. MIS tend to tap into various sources of data and information and aggregate that in a meaningful way. The update cycles and frequencies of the sources are not necessarily aligned. An MIS in a recovery situation would focus on the continuation of business operation.
715. Zurich Insurance Company Ltd.	Switzerland	We urge the IAIS to make explicit reference to the proportionality principle for this requirement and to specify their understanding of an MIS; otherwise this requirement leaves too much room for interpretation with regard to what contents are, what is timely and what is sufficient. MIS tend to tap into various sources of data and information and aggregate that in a meaningful way. The update cycles and frequencies of the sources are not necessarily aligned. An MIS in a recovery situation would focus on the continuation of business operation.
716. Association of British Insurers	United Kingdom	The ABI suggests this Standard should clarify that it does not require a separate Management Information System to be maintained for the purposes of recovery planning, and that normal internal systems and controls can be adequate.
717. National Association of Mutual Insurance Companies	United States	Q204 Comment on Standard CF10.3b More information is needed about what will be required for and what use will be made of management information systems (MIS). Ongoing maintenance of such information for all IAIGs may produce little useful information. We urge that the MIS requirement be limited to information that is material and only required of a troubled firm. At a minimum, the detailed content for information produced by IAIG's information management system should be proportionate to the nature, scale and complexity of the IAIG.
718. Institute of International Finance/Geneva Association	United States/Switzerland and	As described in CF10.3a.2, recovery is the responsibility of the IAIG. Therefore, how the IAIG develop the necessary information to recover should be left to the IAIG's independent decision. It is not reasonable that the IAIG is obliged to develop certain information system.
719. CNA	USA	Requiring all IAIG's to develop and maintain MIS information as outlined in the guidelines seems excessive and will come at a tremendous cost to firms and ultimately policyholders. We recommend that proportional guidance be developed so only those firms that breach the PCR threshold are required to prepare and maintain MIS information discussed.
205 - Q205 Standard CF10.3b		
Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?		
721. Dai-ichi Life Holdings, Inc.	Japan	Yes We recognize that it is not appropriate to develop a new system in terms of cost and benefit if necessary information can be provided through the current system in a timely manner.

			<p>It should be clearly stated that it is not intended to construct a new system when necessary information can be provided through the existing information system in a timely manner.</p> <p>And "MIS" misleads to construct systems on IAIG. Therefore, it clearly states that MIS does not require construction of a new system. In addition, the contents included in MIS should be narrowed down according to proportionality.</p>
722. General Insurance Association of Japan	Japan	Partially	<p>While depending on the frequency and the degree of responses required regarding MIS, if IAIGs are required to maintain MIS at the same level as G-SIIs, they will need to ensure that personnel are in place to deal with MIS, resulting in a heavy cost in complying with ComFrame.</p>
724. Swiss Re	Switzerland	Yes	<p>Swiss Re maintains appropriate MIS to produce required information in the event of a recovery situation.</p>
<p>206 - Q206 Standard CF10.3b What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q205 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>			
725. Dai-ichi Life Holdings, Inc.	Japan	<p>If a new system construction is imposed on IAIG, instead of using an existing systems, it is expected that a huge expense will be required and it will be an excessive burden for IAIG.</p>	
726. General Insurance Association of Japan	Japan	<p>While depending on the frequency and the degree of responses required regarding MIS, if IAIGs are required to maintain MIS at the same level as G-SIIs, the cost of developing systems would amount to several billion Japanese yen. Additionally, it will be necessary to ensure that personnel are in place to develop the systems, resulting in a heavy cost in complying with ComFrame.</p>	
<p>207 - Q207 Standard CF10.3b</p>			

What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q205 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
727. Dai-ichi Life Holdings, Inc.	Japan	If a new system construction is imposed on IAIG, instead of using an existing systems, it is expected that a huge expense will be required and it will be an excessive burden for IAIG.	
728. General Insurance Association of Japan	Japan	Including the cost of ensuring that personnel are engaged in continuous verification and review of ongoing MIS, and of maintaining the systems, it would be quite costly to comply with ComFrame.	
208 - Q208 Standard CF10.3b			
Please provide the assumptions made to estimate the one-time costs (Q206) and the ongoing costs per year (Q207).			
209 - Q209 Standard CF10.3b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
730. Dai-ichi Life Holdings, Inc.	Japan	No benefit	We recognize that it is not appropriate to develop a new system in terms of cost and benefit if necessary information can be provided through the current system in a timely manner.
731. General Insurance Association of Japan	Japan	Minimum benefit	While we agree that IAIGs should have in place a type of MIS, considering the balance between the accompanying costs and the merits, it is not practical to require all IAIGs to develop MIS in the same manner as G-SIIs.
734. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
210 - Q210 Comment on Guidance CF10.3b.1			
221 - Q221 Comment on Standard CF10.5a			
738. Institute of International Finance/Geneva Association	United States/Switzerland and	While acknowledging the importance of cross-border cooperation and coordination amongst supervisory authorities, it	

		is important to highlight that recovery plans and actions taken by supervisors must respect national law. The in this standard mentioned supervisory coordination should be seen in light of how such issues are dealt with in the respective jurisdictions.	
222 - Q222 Standard CF10.5a			
Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
223 - Q223 Standard CF10.5a			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q222 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
740. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
224 - Q224 Standard CF10.5a			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q222 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
741. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
225 - Q225 Standard CF10.5a			
Please provide the assumptions made to estimate the one-time costs (Q223) and the ongoing costs per year (Q224).			
742. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
226 - Q226 Standard CF10.5a			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
744. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	

745. Swiss Re	Switzerland	Very beneficial	Supervisory cooperation and coordination is a necessity to provide adequate conditions and improve the chances for a recovery to succeed.
746. Zurich Insurance Company Ltd.	Switzerland	Very beneficial	Supervisory cooperation and coordination is a necessity to provide adequate conditions and improve the chances for a recovery to succeed.
227 - Q227 Comment on Standard CF10.5b			
747. Allianz	Germany		Any actions by the group supervisor against the head of the IAIS must duly take into account the head's legal power over the non-compliant insurer, which is often limited.
748. GDV - German Insurance Association	Germany		According to national company law the Head of the IAIG is often not able or not allowed to take actions to ensure compliance at solo entity level. Apart from a few group aspects, the local management board is only responsible for compliance at solo entity level. The CF should reflect this limitation of separated responsibilities in groups.
749. General Insurance Association of Japan	Japan		As this question is for supervisors, we are not in a position to answer.
750. Swiss Re	Switzerland		While the information duty is understandable, cooperation and coordination cannot suggest that the group-wide supervisor will effectively be in a position to respond to all requests of involved supervisors. We understand CF10.5a to sort of address the top-down cooperation and coordination, and CF10.5a the bottom-up cooperation and coordination. Both are needed. However, the language reads stronger in CF10.5b (“[...] requires [...] to take action [...]”) than in CF10.5a (“[...] coordinates [...]”). The language should be aligned to CF10.5b.
751. Zurich Insurance Company Ltd.	Switzerland		While the information duty is understandable, cooperation and coordination cannot suggest that the group-wide supervisor will effectively be in a position to respond to all requests of involved supervisors. We understand CF10.5a to sort of address the top-down cooperation and coordination, and CF10.5a the bottom-up cooperation and coordination. Both are needed. However, the language reads stronger in CF10.5b (“[...] requires [...] to take action [...]”) than in CF10.5a (“[...] coordinates [...]”). The language should be aligned to CF10.5b.
752. Institute of International Finance/Geneva Association	United States/Switzerland and		While the information duty is understandable, cooperation and coordination cannot suggest that the group-wide supervisor will effectively be in a position to respond to all requests of involved supervisors. We understand that CF10.5a in effect addresses the top-down aspects of cooperation and coordination, while CF10.5a addresses the bottom-up aspects of cooperation and coordination. Both are needed. However, the language reads stronger in CF10.5b (“[...] requires [...] to take action [...]”) than in CF10.5a (“[...] coordinates [...]”). The language of both standards should be aligned.

228 - Q228 Standard CF10.5b			
Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
229 - Q229 Standard CF10.5b			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q228 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
754. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
230 - Q230 Standard CF10.5b			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q228 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
755. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
231 - Q231 Standard CF10.5b			
Please provide the assumptions made to estimate the one-time costs (Q229) and the ongoing costs per year (Q230).			
756. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
232 - Q232 Standard CF10.5b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
758. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
244 - Q244 Comment on Standard CF10.6a			
775. GDV - German Insurance Association	Germany	Sanctions to the Head of the IAIG are only justified if non-compliance is in the responsibility of the Head of the IAIG. Compare to comment Q227.	
776. Global Federation of Insurance Associations	Global	When suggesting the imposition of penalties and sanctions, there should be more definitive criteria than the vague term “appropriate”. Actions of an affiliate should not trigger a sanction on the Head of the IAIG; it raises due process concerns. The imposition of sanctions must be proportionate.	

778. Chubb	United States	See response to Q. 141 direct authority is not available extra-territorially and we therefore suggest the focus should be on what is legally permissible—persuasive, indirect authority achieved through supervisory cooperation and collaboration.
779. American Insurance Association	USA	When suggesting the imposition of penalties and sanctions, there should be more definitive criteria than the vague term “appropriate”. Actions of an affiliate should not trigger a sanction on the Head of the IAIG; a sanction in that case would raise due process concerns.
780. Liberty Mutual Insurance Group	USA	The proposed ComFrame standards that presume an insurance supervisor will have direct authority over a non-insurance head of an IAIG are, almost without exception, not practical because of the unlikelihood such authority will ever be provided to insurance supervisors in a material way.
781. Property Casualty Insurers Association of America (PCI)	USA	There should be more discussion about when it is appropriate for a group-wide supervisor to apply a sanction directly to the Head of the IAIG. Due process (e.g., an independent hearing) should be provided with regard to imposition of any sanctions.
245 - Q245 Standard CF10.6a		
Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?		
783. Liberty Mutual Insurance Group	USA	No
246 - Q246 Standard CF10.6a		
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q245 that would have to be made solely for purposes of ComFrame (please specify the currency)?		
784. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.
247 - Q247 Standard CF10.6a		
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q245 that would have to be made solely for purposes of ComFrame (please specify the currency)?		
785. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.

248 - Q248 Standard CF10.6a			
Please provide the assumptions made to estimate the one-time costs (Q246) and the ongoing costs per year (Q247).			
786. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
249 - Q249 Standard CF10.6a			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
788. Canadian Institute of Actuaries	Ontario	Very beneficial	
250 - Q250 Comment on Guidance CF10.6a.1			
251 - Q251 Comment on Guidance CF10.6a.2			
252 - Q252 Comment on Guidance CF10.6a.3			
789. Global Federation of Insurance Associations	Global	The Guidance should clarify what the “indirect powers” are that the Guidance says the group-wide supervisor should use against the head of the IAIG not located in its jurisdiction.	
790. Association of British Insurers	United Kingdom	The ABI asks that this Guidance clarifies what the “indirect powers” are that the Guidance says the group-wide supervisor should use against the head of the IAIG not located in its jurisdiction.	
791. ACLI	US	The same comments apply here as reflected under CF10.0a.2. The structures envisioned should be more fully and clearly described and the term "indirect powers" should be defined.	
253 - Q253 Comment on Standard CF10.6b			
793. Association of British Insurers	United Kingdom	It is unclear what the Standard expects by “coordinates with other involved supervisors”, or what is expected in the event of a disagreement between the supervisors either as to whether a sanction is required or what that sanction should be. In particular, the ABI notes that that this obligation to coordinate applies when the sanction has a material effect, and that the more material the effect of the sanction, the more likely it is to lead to disagreement.	
254 - Q254 Standard CF10.6b			
Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
255 - Q255 Standard CF10.6b			

What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q254 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
795. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
256 - Q256 Standard CF10.6b			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q254 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
796. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
257 - Q257 Standard CF10.6b			
Please provide the assumptions made to estimate the one-time costs (Q255) and the ongoing costs per year (Q256).			
797. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
258 - Q258 Standard CF10.6b			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
799. Canadian Institute of Actuaries	Ontario	Very beneficial	
259 - Q259 Comment on Guidance CF10.6b.1			