



INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

ComFrame in ICPs 5, 7, 8, 9, 10, 12 and 25 and ICP 10.3: Responses to Comments received during 3 March – 1 June 2017 Consultation

Introduction

- Between 3 March and 1 June 2017, IAIS consulted on a number of revised ICPs and ComFrame material integrated therein.
- IAIS received numerous comments from both Members and Stakeholders that provided valuable input for further improvements and revisions.
- The overall ComFrame material will be published for consultation in August 2018. Revised ICPs that are related to ComFrame have been or will be published for information purposes only.¹ Both revised ICPs and Overall ComFrame are expected to be adopted in 2019.
- With this document IAIS provides an interim update with responses to main substantive comments received during consultation.

¹ See <https://www.iaisweb.org/page/supervisory-material/insurance-core-principles>

General comments on different parts of the ComFrame material

Ref.	Summary of comments received	IAIS response
General	<p>Since the start of the ComFrame project in 2010, several of the ICPs have considerably developed (also for insurance groups aspects) and thereby contributed to a strengthening of supervisory regimes and practices. This positive development has led to a situation where the initial gaps in terms of supervisory approaches have been reduced, or even closed. Consequently, there is a need to review the initial justification for the introduction of an additional layer of requirements and to question whether the need to address specific requirements for IAIGs still exists. One strong holistic layer of requirements (ICPs) would also address the criticism by some of the IAIGs about competitive disadvantage to domestic and international groups not fulfilling IAIG criteria.</p>	<p>The IAIS agrees that since 2010 the Insurance Core Principles (ICPs) have considerably developed and contributed to a strengthening of supervisory regimes and practices, including those related to group supervision. At the same time, the IAIS is of the opinion that ComFrame is still necessary as a comprehensive framework (building on the ICPs) to address the specific challenges posed by the supervision of internationally active insurance groups (IAIGs), in areas such as supervision of governance, recovery and resolution, supervisory review process, supervisory cooperation and coordination and solvency. While the ICPs apply to all insurance groups, there is a need for more specific standards tailored to the supervision of larger, more complex internationally active groups and related supervisory cooperation and coordination.</p> <p>ComFrame is designed to build and expand upon high level standards provided for by the ICPs. During the ongoing process of revising and restructuring, the ComFrame material has been streamlined. For example, overlaps and duplication were removed and ICP text is not copied anymore into ComFrame text. Additionally, some ComFrame material seen as applicable to all insurers or insurance groups, and not only to IAIGs, has moved to the ICPs. Therefore, standards included in ComFrame do not duplicate ICPs and are expected to be met only as regards the supervision of IAIGs. The consultation scheduled for mid-2018 will provide another opportunity to identify any part of the ComFrame material where further streamlining may be appropriate.</p>
General	<p>As part of this public consultation, qualitative field-testing related questions were included in this consultation in order to provide supervisors and IAIG volunteers the opportunity to provide information regarding current supervisory practices and the potential costs and benefits associated with each ComFrame standard.</p>	<p>Participation in the survey by stakeholders and IAIS members was very limited, and did not allow to draw any substantial conclusions on potential costs and benefits of the relevant ComFrame standards. Nevertheless, the IAIS will use the responses to make further improvements to ComFrame material.</p>

General	Some requirements provided in ComFrame are equally relevant to non-IAIG.	The purpose of some ComFrame standards or guidance is to provide more details as compared to ICPs. It does not prevent from applying those standards or guidance also to other groups (non-IAIGs).
General	Some comments suggested that the ComFrame material should cover also issues which are mentioned in ICPs.	The ComFrame builds on ICPs, which apply to supervision of all insurance legal entities and insurance groups, including IAIGs. Therefore there is no need to repeat the content of ICPs in ComFrame.
General	Confusion about division of responsibilities between the group-wide supervisor and other involved supervisors.	The group-wide supervisor has responsibility for supervision of operations of the IAIG as a group through the Head of the IAIG. The Head of the IAIG in turn has the responsibility to ensure that entities within the IAIG operate prudently within regulatory requirements. The Board of the Head of the IAIG (IAIG Board) should manage the IAIG as a whole, but without undermining the responsibilities of the Board of particular insurance legal entities.
General	The wording “at the level of the IAIG” raised some confusion as regards the level in the IAIG structure at which the supervisory requirements should be applied.	The wording will be modified, for example in CF9.0a, to make clear that the standard refers to relevant legislation and supervisory requirements which apply at the level <u>of the Head</u> of the IAIG.
General	Stakeholders indicated that the meaning of the “Head of the IAIG” and “the IAIG Board” is not clear. There were also questions about the meaning of terms such as “Key person in control function” or “Significant Owner”.	<p>“The Head of the IAIG” means the Head of the group identified as an IAIG (for the definition of “the head of the group” see the IAIS Glossary). “The IAIG Board” means the Board of the Head of the IAIG.</p> <p>Some ComFrame-specific terms will be defined for the purpose of mid-2018 public consultation on overall ComFrame. This version of ComFrame will also include the text on identification of the IAIG, including determination of the Head of the IAIG.</p> <p>As regards questions about the meaning of some of the terms, a lot of terms used in ComFrame is already defined in the IAIS Glossary.</p>
General	ComFrame requirements are in some cases too prescriptive and limit the necessary flexibility for supervisors, whereas they should be applied in relation to the nature, scale and complexity of the IAIG.	According to the ICP Introduction, the ICPs establish the minimum requirements for effective insurance supervision and are expected to be implemented and applied in a proportionate manner. ComFrame itself is an exercise of proportionality in that ComFrame standards are tailored to reflect the nature, scale and complexity of IAIGs, which in some cases

		results in IAIGs needing to meet higher standards than other insurers under ICPs.
General	Confidentiality requirements, provided for in ICP 3, should be referred to in different parts of ComFrame.	Confidentiality requirements regarding information sharing are covered by ICP 3. The ICPs operate collectively, therefore the requirements set out in ICP 3 are relevant to the other ICPs.
General	There is inconsistency in terminology used in standards and guidance: “should” is used in guidance and other wording is used in standards.	The word “should” is normally used in the ICP guidance and ComFrame guidance and provides a recommendation. The ICP standards and ComFrame standards include the requirements and therefore are drafted in a different way. See also the Draft revised introduction to the ICPs. ²

General comments on governance-related ComFrame material (integrated with ICPs 5, 7 and 8)

Ref.	Summary of comments received	IAIS response
General	Significant number of comments was on ICPs 5, 7 and 8 themselves, and not on the ComFrame material.	ICPs 5, 7 and 8 were not published for consultation, but only as a background for ComFrame material integrated with those ICPs. Therefore, comments on ICP text have not been considered.
General	Materiality should be take into account and referred to explicitly in various parts of the ComFrame material.	In most of the cases it is clear that the Head of the group/IAIG takes into account the overall risks and activities of the individual legal entities across the group and focuses on those which are material for the group as a whole, even when materiality is not referred to explicitly. To help clarify this issue and the role of materiality, new text has will be added to Introductory Guidance of ICP 7. Materiality is mentioned explicitly when it is necessary taking into account the context of the standard, in particular when a standard is not supported by guidance that provide further details on which risks, activities, etc. should be considered in a particular case.
General	Clarification was sought of what requirements apply at the level of the Head of IAIG in case it is a non-regulated holding company.	Please refer to Introduction to ICPs, which describes possible approaches to group-wide supervision, ie direct and indirect approaches.

² <https://www.iaisweb.org/page/supervisory-material/insurance-core-principles/file/69883/draft-revised-introduction-and-assessment-methodology>

General	<p>The IAIG must remain free to conduct its affairs in a manner that is efficient and effective for its business, while meeting expectations of all regulatory authorities. Consequently, the ICP and ComFrame guidance should not dictate measures that will constrain the IAIG's ability to conduct its business efficiently, rather than be distracted with a supervisory mandate to address specific legal entity issues that may not affect the overall group.</p>	<p>The requirements included in ComFrame are expected to meet the ComFrame objectives and, in broader terms, the objectives of insurance supervision, taking into account specificities of the IAIGs.</p> <p>In general, guidance material provides detail on how to implement an ICP statement or standard. Guidance material does not prescribe new requirements but describes what is meant by the ICP statement or standard and, where possible, provides examples of ways to implement the requirements.</p>
General	<p>As regards the frequent use of the term “ensure” in different parts of the proposed ComFrame material, it was raised that given that the insurance industry attempts to manage a world of uncertainty, it is never possible to “ensure” against all possible eventualities. Therefore, it was recommended to remove the term “ensure”.</p> <p>In other cases respondents commented that the Head of the IAIG should not be required to have in place relevant processes, procedures etc, but the Head of the IAIG should ensure that IAIG has them in place.</p>	<p>Not agreed to delete the word “ensure”. The wording is focused on the desired outcome and the expectation is that the Head of the IAIG will achieve this outcome.</p> <p>In some places the text will be revised to indicate that the Head of the IAIG should ensure that the IAIG has in place relevant procedures, processes etc.</p>
General	<p>There were concerns that the ComFrame material does not reflect the content of the issues papers and application papers on governance.</p>	<p>Application Papers have a specific purpose. They provide additional material related to policy measures, including actual examples or case studies that help practical application of supervisory material. Application Papers can provide further advice, illustrations, recommendations or examples of good practice to supervisors on how supervisory material may be implemented.</p>

Summary of comments on the ComFrame material integrated into ICP 5

Ref.	Summary of comments received	IAIS response
CF5.2a	<p>CF5.2a should be more process-oriented, with the focus on ensuring that Board members have adequate powers and resources to be able to discharge their duties fully and effectively.</p> <p>The wording "...the competence of the IAIG board..." should change to "...the competence and integrity of the IAIG board..." in order to be consistent with ICP 5.2.</p>	<p>The standards in ComFrame are focused on the outcome, rather than process-related issues.</p> <p>The ComFrame Standard is focused on competence, because this is specifically relevant in the context of internationally active insurance groups.</p> <p>The standard will be reworded to refer to possessing necessary competences rather than knowledge.</p>
CF5.2a.1	<p>CF5.2a.1 should be redrafted not to suggest that Key Persons in control functions manage the IAIG and need competences to do so. Stakeholders raised also that CF5.2a.1 should refer only to collective possessing of competences, since not every person listed in the guidance needs knowledge and experience with international business and processes as well as different business models.</p>	<p>The guidance will be redrafted to avoid repeating the standard and for better reading. As a consequence, the phrase "to manage the IAIG" will be deleted.</p> <p>The reference to knowledge and experience will be kept, as an example of appropriate competences.</p> <p>The reference to collective competence will not be added. Depending on a particular case, specific knowledge and experience may be expected from individual Board members.</p>

Summary of comments on the ComFrame material integrated into ICP 7

Ref.	Summary of comments received	IAIS response
General	<p>ComFrame requirements are too prescriptive and reflect a one-size-fits-all focus and that some ComFrame requirements suggest that a centralized approach is preferable for all IAIGs.</p> <p>ICP 7 should explicitly recognize the notion of "group interest".</p>	<p>The purpose of ComFrame is to provide requirements applicable to all IAIGs regardless of their structure and governance approach. The IAIS aims to ensure a proper balance in this regard, having in mind an objective of insurance supervision, which is protection of the interests of policyholders. No specific model is therefore prescribed in ComFrame. As such, ComFrame should not be read as advocating any preference for a specific model or excluding a particular approach.</p> <p>The IAIS understands that the notion of "group interests" is being recognized in some jurisdictions and supervisory authorities from those</p>

		<p>jurisdictions take into consideration relevant legal provisions when carrying out insurance supervision. In this context, paragraph 36 of the Application Paper on Group Corporate Governance recognizes that the key challenges in setting the group objectives and strategies include balancing the needs and interests of the group as a whole with those of insurance legal entities within the group, as well as ensuring that entities at all levels in the group are able to comply with relevant jurisdictional requirements. At the same time, the IAIG should monitor that its corporate governance framework allows for the supervisory and legal obligations of its legal entities to be effectively met.</p>
<p>CF7.0a CF7.0a.1</p>	<p>A number of issues was raised regarding the concept of a written outline:</p> <ul style="list-style-type: none"> • Instead of a requirement to have a document, the head of the IAIG should have understanding of issues mentioned in CF7.0a; • the concrete form of the documentation of the IAIG’s structure should remain in the discretion of the entity; • There should not be a requirement to present the information necessary to sufficiently understand the legal/management structures and inter-relationships of the group within a single written outline; • Whose understanding is referred to in the standard: Head of IAIG or supervisor? 	<p>The IAIS considers that it is necessary for the Board of the Head of the IAIG (IAIG Board), taking into account complexity and international nature of the IAIGs, to have tools which help identify and manage risks, by means of understanding the structure of the IAIG.</p> <p>It has been however recognised that information referenced in the standard and guidance may be available in already existing documents or can be made available in several documents. For this reason, the standard will be revised to refer to documentation instead of a written outline.</p>
<p>CF7.1a</p>	<p>Some comments indicated confusion about the phrase “independent of day-to-day management”.</p>	<p>This phrase refers to oversight of the IAIG’s group-wide operations (ie oversight should be independent of day-to-day operations), not to the governance structure.</p> <p>ICP 7.10 clarifies that day-to-day operations is the responsibility of the Senior Management. ICP 7 provides and describes distinction between management of “day-to-day operations” and the responsibilities of the Board, formulated ICP 7.2 and other standards of ICP 7.</p>

CF7.1a.1	Some comments indicated that the wording of guidance is not clear, including the meaning of “reporting lines”.	The guidance refers to reporting lines between the legal entities within the IAIG and the Head of the IAIG. The guidance does not refer to supervisory reporting (ie reporting to a supervisory authority). The wording of the guidance will be clarified and simplified.
CF7.1a.2	The guidance should clarify the term “appropriate measures”.	The Board should decide which measures are the most appropriate. The guidance is focused more on the outcome, ie to make sure there is no conflict between different roles to be performed by individuals undertaking similar functions for more than one legal entity within the IAIG.
CF7.1b	It is not clear to whom the reports required in this standard should be addressed.	It will be clarified that the Head of the IAIG reports to the group-wide supervisor.
CF7.2a	<p>It was proposed to move the list included in CF7.2a into the subsequent guidance and to formulate the standard in a more general way.</p> <p>There was also a comment about responsibility for ensuring that local laws and regulations are complied with, which should rest with the local boards and legal entity supervisors as opposed to the IAIG Board and the group-wide supervisor.</p> <p>The words “, as appropriate,” should follow “ensure”. The third bullet should read “the interests of policyholders, customers and other stakeholders; and”. The fourth bullet regarding the “fair treatment of customers” should be deleted since the notion of “fair treatment” is very subjective. The business objectives should take into account “the interests of policyholders and stakeholders” and also the “fair treatment of customers”. These do not seem to differ, so the latter can be removed.</p>	<p>No changes will be made in the standard. The IAIS considers the elements listed in CF7.2a as essential factors to be taken into account in the group-wide business objectives and strategies for achieving those objectives.</p> <p>CF7.2a is not about ensuring that local laws and regulations are complied with, but about ensuring that they are taken into account in the group-wide business objectives and strategies for achieving those objectives.</p> <p>Not agreed to add “as appropriate”. As regards the meaning of “fair treatment”, see ICP 19. There is also a difference between taking into account interests of policyholders and fair treatment of customers, for example “customers” includes also potential policyholders, not only existing ones.</p>
CF7.2b	<p>It is not clear to whom explanation of the strategy should be provided.</p> <p>Annual frequency is too prescriptive.</p>	<p>It will be clarified in the standard that the purpose of this requirement is to enable the group-wide supervisor to have an understanding of the IAIG’s corporate governance framework.</p> <p>Annual frequency is appropriate taking into account the nature, scale and complexity of the risks of the IAIG.</p>

<p>CF7.3a CF7.3a.1</p>	<p>The fifth bullet point is vague and would benefit from clarification as to what the Board needs to understand about the audit, risk, compliance and other control functions to provide appropriate oversight.</p> <p>It was proposed to explicitly include the actuarial function in the list of key control functions.</p>	<p>The bullet is focused on the outcome, ie the IAIG Board should have an understanding of areas listed in the bullet that allows the IAIG Board to provide oversight of these areas and of the Control Functions.</p> <p>A reference to an actuarial function will be added.</p>
<p>CF7.3b.1</p>	<p>It is possible that, due to the principle of competition, profit generated by one legal entity within an IAIG equals a loss for another entity within the same IAIG (for example, when they are engaged in similar businesses in the same area), and it should be clarified that the "conflicts of interest" referred to in this guidance do not cover such cases.</p>	<p>Not agreed. This would depend on the reasons for such a situation, therefore it is not possible to simply state that such a situation is not covered by this guidance in any case.</p>
<p>CF7.3b.2</p>	<p>If a conflict of interest cannot be avoided, appropriate measures should be taken to mitigate it, therefore the phrase "or mitigated" should be deleted.</p>	<p>The reference to mitigating in the first part of the guidance will be deleted.</p>
<p>CF7.9a.1</p>	<p>The guidance is not necessary or not relevant, and therefore should be removed.</p>	<p>The guidance is aimed at addressing the issues related to an international nature of the IAIGs, which in every case include legal insurance entities located outside the jurisdiction of the Head of the IAIG and thus not supervised by the group-wide supervisor. The purpose of the guidance is to make sure that the group-wide supervisor is informed about issues relevant not only for a particular entity in the group, but also for the IAIG as a whole.</p>

Summary of comments on the ComFrame material integrated into ICP 8

Ref.	Summary of comments received	IAIS response
General	<p>Responsibility for certain control functions and risk management processes can be delegated to local business units and/or legal entities without compromising the overall effectiveness of the group function. It was proposed to develop guidance that would allow the Head of the IAIG to delegate certain responsibilities to local business units and/or legal entities, as long as an effective overall framework is in place to identify and address issues that should be escalated to the Head of the IAIG for remediation.</p> <p>It was also raised that while ComFrame requires engagement with the Board of the Head of the IAIG, the Head of the IAIG or the IAIG Board should be able to delegate responsibilities to individuals with the appropriate expertise within the organization.</p>	<p>Each insurer has its own responsibilities, which cannot be delegated. According to ICPs, only activities or functions can be outsourced. Please see ICP 8.8, which specifies that in case of outsourcing a material activity or function the supervisor should require the insurer to retain at least the same degree of oversight of, and accountability for, the outsourced activity or function as applies to non-outsourced activities or functions.</p> <p>ComFrame does not exclude appropriate delegation within the IAIG. However, certain requirements should be addressed at the level of the Board of the Head of the IAIG, as specified by ComFrame. In these cases, even in case of delegation within the IAIG, the group-wide supervisor should hold the Head of the IAIG or the IAIG Board responsible for satisfying relevant requirements.</p>
CF8.1a	<p>Respondents made a number of comments on wording of some of the bullets, raising also that some phrases used in the standard are not clear. In particular “at all levels of the IAIG” was not clear.</p>	<p>Some bullets will be reworded in order to enhance their clarity and improve the wording.</p> <p>“At all levels of the IAIG” refers to the level of the Head of the IAIG and the level of individual entities belonging to the IAIG.</p>
CF8.1b	<p>An annual review of the risk management system is not necessary and that it should be carried out periodically depending on the risk profile of the IAIG or as needed.</p>	<p>Annual frequency of the review is appropriate taking into account the nature, scale and complexity of the risks of the IAIGs. It will also be specified that the review should be carried out at least annually, as indeed – depending on the risk profile of the IAIG – more frequent review may be necessary.</p>
CF8.1c	<p>A reference to processes and procedures in the context of promoting an appropriate risk culture should be removed. There are various ways to promote a risk culture, and the unified requirement in this standard on “processes and procedures” at the group level could lessen the effectiveness.</p>	<p>Not agreed. Promoting an appropriate risk culture should be carried out in an organised manner within the IAIG, due to its international nature. Therefore it is appropriate to expect the IAIG to have relevant processes and procedures.</p>

CF8.1c.1	The term “issue of independence” should be clarified or a different term should be used.	The wording will be kept. In terms of risk culture, it is important to make sure that the issue of independence in a broad meaning is addressed, including independent decision-making, free from improper incentives.
CF8.2b	<p>The frequency of the assessment should not be annually but periodically, depending on the risk profile of the undertaking.</p> <p>It is not clear whether “independent objective party “ refers only to external or also internal parties, and proposed to clarify that the exercise can also be carried out by an internal party.</p> <p>The term “determine” in the second bullet also created some confusion and stakeholders questioned whether it is the most appropriate term.</p>	<p>Not agreed. The annual frequency is appropriate for all IAIGs.</p> <p>The standard will be redrafted to refer to assessment carried out within the IAIG (instead of assessment at the group-wide and legal entity level).</p> <p>The text will be amended to clarify that the standard refers to an internal or external party.</p> <p>The phrase “to determine” will be changed for “to assess”.</p>
CF8.3a	<p>The requirement to clearly assess roles and functions within the IAIG, avoiding duplication of tasks and responsibilities should be in every business’s own interest and hence does not need to be explicitly listed in Standard CF8.3a.</p> <p>The word “duplicate” should be removed. If a control function at a legal entity level does risk work, this should not preclude the risk considered at the IAIG level control functions.</p> <p>It was also asked whether the second bullet of CF8.3a prevents the outsourcing of local control function tasks to the group level (or vice versa) and how this interferes with the necessary interaction between group and local functions as defined in CF8.4a.</p> <p>It was proposed to align more CF8.3a with CF8.3.c, based on understanding that the main issue is that control functions in IAIG entities shall be independent in order to fulfil their requirements in due manner and that the Head of IAIG shall not replace IAIG entities in their control functions. In CF 8.3.c there is obligation not to combine control functions.</p>	<p>Agreed that this requirement is also in the own interest of the business. This however does not mean that the requirement should be deleted from ComFrame.</p> <p>It has not been agreed to remove a reference to duplication. The standard refers to the IAIG control functions, ie control functions at the level of the Head of the IAIG. Each insurance legal entity is expected to establish relevant control functions at the legal entity level, as requested by ICP 8.</p> <p>CF8.3a does not prevent outsourcing tasks related to control functions. CF8.3a as well as CF8.3b and CF8.3c describe organisation of the IAIG control functions in general, whereas CF8.4a refers to activities that should be carried out by a particular control function, ie risk management function of the IAIG. There are also ComFrame standards describing activities that should be carried out by three other IAIG control functions.</p> <p>There is a difference between CF8.3a and CF8.3c. The first calls for an independent performance of control, the latter prohibits combining the IAIG control functions.</p>

CF8.3b	The second bullet should be modified to say “coordinate with the control functions at the insurance legal entity level, in a manner appropriate to the IAIGs legal structure and jurisdictional laws. ”	Not agreed. The proposed addition is implicit and appropriate as long as the coordination is efficient and supports functioning of the control functions.
CF8.3c	Respondents expressed concerns as regards the first bullet (according to which the IAIG control functions should not be combined) and proposed to delete it or rephrase in various ways. Some of them raised also that its meaning is not clear.	<p>Taking into account the nature, scale and complexity of the risks of the IAIGs, it is justified to expect that the IAIG control functions are not be combined.</p> <p>The requirements provided for in CF8.3c apply only to those control functions which are obligatory under ICPs, ie risk management function, internal audit function, compliance function and actuarial function.</p> <p>The prohibition of combination applies to the Key Person in Control Function as well as the staff supporting a control function. As regards the staff, relevant employees can work in the same unit, but one person should not be responsible for supporting two or more function, in order to avoid combination of those functions.</p>
CF8.4a	Quarterly risk management reports should be changed to periodically depending on the risk profile of the undertaking.	Not agreed. The IAIG Board or Senior Management needs to be appraised on risk issues in a timely manner. Thus, the frequency of risk management reporting should not be “periodically” as this may be interpreted to mean once every 2-3 or 5 years, which is too infrequent for an IAIG.
CF8.4a	<p>The Head of the IAIG should be able to delegate responsibility for certain elements of risk management functions to local business units or legal entities. For example, the Head of the IAIG should not be required to monitor all risk management activities and mechanisms employed at the legal entity level or to conduct a full assessment of risks at that level.</p> <p>This Standard should clarify that it does not require a risk management function to be embedded in each legal entity, and it should allow additional flexibility in delegating responsibilities and recognizing materiality considerations.</p>	<p>The proposed standard does not preclude the Head of IAIG from outsourcing certain risk management tasks to legal entities within the IAIG. However, the Head of the IAIG should remain responsible for the risk management function at the group-wide level.</p> <p>Standard ICP 8.4 already requires each insurance legal entity to have an effective risk management function, hence, the proposed Standard is directed at the Head of the IAIG and its risk management function at the group-wide level.</p>

CF8.4b	The wording of CF8.4b implies that an IAIG risk management function could also fulfil risk taking activities, and asked for clarification whether this was meant. Some stakeholders stated that risk management can fulfil risk taking activities.	As already stated in ICP 8.3, control functions should be independent. Therefore, risk management function should not undertake risk taking activities. This will be clarified in the standard.
CF8.5a	<p>Respondents raised various comments, in particular:</p> <ul style="list-style-type: none"> - the description is too detailed for a standard, and the list of bullets should be moved to a guidance level; - it does not seem necessary for the Head of the IAIG to monitor all compliance mechanisms and activities across all levels of the company; - it is not clear what would be included in the group-wide compliance plan; - the responsibility to develop and embed group-wide corporate values (third bullet) does not have to sit with the compliance function. 	<p>The standard will be kept, together with the content of the bullet points. In the IAIS view the requirements in question are sufficiently important to be provided for at the standard level.</p> <p>It is important for the IAIG compliance function to monitor the implementation of compliance mechanisms across the IAIG as there could be risks of regulatory sanctions or significant financial loss or damage to an IAIG's reputation resulting, for example, from the IAIG's failure to comply with laws or regulations in different jurisdictions.</p> <p>A group-wide compliance plan could include summarized information on new laws and regulations in various jurisdictions and potential impact on the IAIG's businesses in those jurisdictions and training plans. It will be left open to provide flexibility.</p> <p>We agree that the IAIG Board should set the tone in inculcating ethical corporate values which permeate throughout the organization, however, the compliance function plays an important role in supporting the Board in this regard.</p> <p>The standard will be reworded to take on board some of the comments received.</p>
8.6a	Respondents raised various comments on this standard, arguing mainly that some of the tasks mentioned in the standard should not be allocated to the actuarial function, but rather to the risk management function.	<p>The comment has been taken on board and the standard will be reworded to clarify that the actuarial function does not go beyond its responsibilities.</p> <p>Please also see a list of tasks of the actuarial function in ICP 8.6.4.</p>
8.6b	In some jurisdictions it is common that an insurer's actuarial function is fulfilled collectively by several divisions. The standard should be revised to allow for such practices. Performance of an actuarial function could vary across jurisdictions. In some cases where the function is fulfilled by a division which is under the management of a Board member.	The organisation of the insurer can be structured in various ways as long as the requirement of the independence is satisfied.

	Therefore, the standard should be revised to allow for such practices under ComFrame and term “independent” in the second bullet point should be deleted.	
8.7a	<p>The standard is too prescriptive and the list of internal audit function’s responsibilities should be moved to a guidance level.</p> <p>Respondents raised also various comments on the standard, arguing mainly that some of the tasks listed therein should not be allocated to the internal audit function (in particular fraud prevention in the second bullet as well as the third and fourth bullet).</p>	<p>It was not agreed that the standard is too prescriptive. The requirements included therein are sufficiently important to be kept at the standard in ComFrame.</p> <p>In the internal auditor’s work on evaluating the adequacy and effectiveness of the internal control system, it is possible for the internal auditor to detect weaknesses in the system that may be vulnerable to the risk of fraud. Thus, fraud prevention can be a joint responsibility between the internal audit function and compliance function.</p>
CF8.8b	A distinction should be made in case of outsourcing to a group internal service provider, where less requirements should be necessary, e.g. no requirements to perform a detailed assessment on ability and capacity of the internal service provider nor the performance of a due diligence should be necessary.	<p>It will be clarified that the standard applies in case of both an internal and external service provider.</p> <p>In the case of an internal service provider, the assessment and due diligence process could be different from the case of an external service provider. For example, if the internal service provider is already known and the fitness and properness of the Senior Management and the Board and financial soundness have already been assessed, some aspects of the assessment and due diligence process may not need to be repeated. Even though the assessment process used between an internal or external service provider may vary, they should be equally robust. This will be clarified in guidance supporting this standard.</p>
CF8.8d	A large number of outsourcing arrangements, reviewing the cumulative risks of all outsourcing arrangements is neither feasible nor practicable. In light of cost-efficiency, it would not be appropriate to require IAIGs in a one-size-fits-all manner to review all outsourced activities and functions as it will create excess cost for IAIGs.	The standard will be revised to delete “all”.

Summary of comments on the ComFrame material integrated into ICP 9

Ref.	Summary of comments received	IAIS response
CF9.0a	Cooperation between the group supervisor and other involved supervisors should take place within a college of supervisors which ensures transparency and promotes convergence of supervisory practices.	Guidance will be added to clarify that the supervisory review may be conducted within a supervisory college established by the group-wide supervisor.
CF9.0a	A 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 and hence the standard should be deleted.	The standard is necessary to allocate a specific role to the group-wide supervisor of the IAIG. ICPs do not mention the group-wide supervisor in any standard other than ICP 23 – the scope of the group and ICP25 - the selection of the group-wide supervisor. Other ICPs only mention the group-wide supervisor in guidance. For IAIGs the role of the group-wide supervisor needs to be elevated to a standard for clarity. A more detailed description of a group-wide supervisor's review is needed for an IAIG because of its importance and for consistency. The more detailed standards concerning what the group-wide supervisor should do need to be supported by a high-level standard describing the group-wide supervisor's role.
CF9.2a	Annual frequency for the risk assessment for all IAIGs is not necessary.	Not agreed. Taking into account the nature, scale and complexity of the IAIGs, annual frequency of the group-wide risk assessment for all IAIGs is justified.
CF9.2a.5	<p>The following concerns were raised as regards guidance on peer-group analysis:</p> <ul style="list-style-type: none"> - Given the significant differences between the ways IAIGs are structured and the jurisdictions in which they do business, the appropriateness of peer-group analysis is in question. - Drafting suggests 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 groups or information is not available. - Unnecessary harmonisation of risk management would be undesirable in an industry that depends on diversification, and 	<p>The peer-group analysis is presented in guidance, therefore it is not required to exercise this type of analysis. It is a proposal for a tool to be used where relevant. The guidance will be reworded to address the comments received, in particular in order to:</p> <ul style="list-style-type: none"> - highlight that peer-review analysis should be conducted to the extent practicable and where useful; - make the order more logical (to reflect the sequence of actions); - emphasize that information publicly available should be used as much as possible;

	<p>peer-group analysis should not be an opportunity for supervisors to impose uniform risk assessments and business models.</p> <ul style="list-style-type: none"> - It is unclear what tools the group-wide supervisor will have at its disposal to conduct a peer-group analysis. - Guidance should warn supervisors against using inappropriate comparators when undertaking peer-group analysis. It is also unclear how a supervisor would identify who appropriate peers are, in order to undertake peer-group analysis. - Guidance should incorporate by reference the standards and guidance set out in ICP 3 (Information Sharing and Confidentiality). 	<ul style="list-style-type: none"> - highlight that peer-group analysis is subject to confidentiality requirements; - reflect concerns regarding competitiveness. <p>As regards criteria for choosing the IAIG's peers, the criteria should be determined by the group-wide supervisor depending on specific features of a particular IAIG. Some proposals for criteria are provided for in guidance: similarity of business and geographical scope, the size, type and structure of the IAIG, etc.</p>
CF9.2b	<p>The standard is too prescriptive. There was also a number of comments on wording of particular bullets.</p>	<p>The standard will be reworded to focus it on the issues specific to the risk assessment of the IAIG. The number of bullet points will be reduced to avoid duplication and simplify the standard. Also, a new guidance will be added to provide more details on what should be subject of the assessment.</p>
CF9.2b.2	<p>It was proposed to reword the guidance to ensure that a proportional approach, that focuses on understanding any dependencies between regulated and unregulated entities, is taken.</p>	<p>The guidance will be rewritten to provide examples of issues to be assessed in considering the activities undertaken by non-regulated entities within the IAIG, such as: contagion risks arising from the activities of non-regulated entities due to interdependencies or exposures between the insurance legal entities and the non-regulated entities within the IAIG; competencies of the group's management in understanding and managing the risks arising from the non-regulated entities; and the strength of the group capital adequacy to support the insurance legal entities.</p>
CF9.2b.4-6	<p>Guidance should not refer to ICS but rather to jurisdictional capital standards. It was also unclear how this guidance applies where the ICS is not implemented in the jurisdiction of the Head of the IAIG.</p> <p>There were also comments that some parts of the guidance on capital adequacy should be deleted, as they do not fit this part of ComFrame.</p>	<p>The wording will be revised, if needed, depending on the recent and further developments of ICS.</p> <p>As regards fungibility, the guidance refers to assessment of fungibility of capital and does not assume its fungibility.</p>

	As regards references on fungibility, it was raised that 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.	
CF9.2b.7	The concept of macro-prudential analysis introduced a very broad concept. The guidance should refer to macroeconomic rather than macroprudential analysis.	Not agreed, the reference to macro-prudential analysis is appropriate. Please refer to the wording used in ICP 24 (Macroprudential Surveillance and Insurance Supervision).
CF9.6b	The standard is equally applicable for all insurance groups and not just IAIGs, and therefore should be deleted. Joining on-site inspections by the group-wide supervisor or other involved supervisor (joint on-site inspection) should be an exceptional situation. The wording of this standard should reflect the exceptional nature of this.	The standard will be kept, as it is of particular relevance to IAIGs due to their international nature. It does not prevent from applying it to other groups, if relevant. The standard will be reworded, so other involved supervisors <u>with reasonable supervisory interest</u> can join the on-site inspection. Subsequently, guidance CF9.6b.1 will be deleted.

Summary of comments on the ComFrame material integrated into ICP 10

Ref.	Summary of comments received	IAIS response
CF10.0a	During the public consultation the members and stakeholders were asked whether the ComFrame standard should refer to any specific measures which must be available to the group-wide supervisor to apply directly to the Head of the IAIG, and if yes, what measures should be referred to in the standard. According to the feedback received, the standard should be focused on the outcome and should not be overly prescriptive, and thus it should not refer to any specific measures.	Following the feedback received during the public consultation, no reference to specific measures will be added to the standard.
CF10.0a	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	Supervisory measures, including those applied to regulated and non-regulated entities, will be imposed through the Head of the IAIG, over which the group-wide supervisor has either direct or indirect powers. A group-wide supervisor can only exercise direct powers over the Head of the IAIG if the Head of the IAIG is situated in its jurisdiction. Where the Head of IAIG is not located in the jurisdiction of the group-wide

	<p>which the supervisor has jurisdiction and such entity has engaged in sanctionable action.</p> <p>It was requested to clarify instances when supervisory measures may be taken against the Head of an IAIG and how they will be applied for both regulated and non-regulated entities.</p>	<p>supervisor, other involved supervisors apply supervisory measures to assist the group-wide supervisor. CF10.0a will be modified to provide clarity in this regard.</p> <p>The wording of guidance under CF10.0a will be expanded to explain the standard and to clarify the role of other involved supervisors in assisting the group-wide supervisor.</p> <p>Please see also responses to comments on application of sanctions (below).</p>
CF10.0a.2	<p>There is a lack of clarity on what “indirect powers” are.</p>	<p>Explanation of direct and indirect approaches is provided in the ICP Introduction. Standard CF10.0a and its guidance will also be revised in order to help understand the nature and purpose of indirect actions.</p>
CF10.0b	<p>Since the involved supervisor will be the one to carry out the supervisory measure on the legal insurance entity within its jurisdiction, it is not clear what exactly is being “coordinated” with the other involved supervisors, and it seems to be more about communicating rather than coordinating.</p> <p>It was proposed to add examples of “exceptional circumstances” that would preclude coordination among supervisors.</p>	<p>Supervisory cooperation is one of the most important aspects of ComFrame. ComFrame is designed to assist supervisors in collectively addressing group-wide activities and risks, identifying and avoiding regulatory gaps and coordinating supervisory actions under the remit of a group-wide supervisor. The objective of the standard and supporting guidance is to make sure that involved supervisors coordinate supervisory actions in situations described therein, so it is not about communication. Examples of supervisory measures that should be preceded by supervisory coordination are provided in CF10.0b.2.</p> <p>As regards exceptional circumstances, the IAIS agrees that the circumstances in which supervisors will not be able to involve other relevant supervisors before taking action would be rare. The situation is likely to be time-critical or be constrained by confidentiality or market-sensitivity. But we do not think that it is possible to provide examples of what might be exceptional circumstances as the appropriate action will be very dependent upon the details of the actual circumstances of the group and so generalised examples are unlikely to be helpful and may be misleading in that they might constrain the flexibility needed to act appropriately in any given situation.</p>

10.2a	<p>The group-wide supervisor should take preventive measures in circumstances where the IAIG operates in a manner inconsistent with regulatory requirements. Therefore, it would be more appropriate for the group-wide supervisor to 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.</p> <p>Interventions by the supervisor should be substantiated and based on an analysis and the insurers should not be subject to regulatory intervention in situations where supervisors operate on the basis of an “impression”.</p> <p>It was proposed to replace “or” after the first sub-bullet of the first bullet with “and” so the two conditions should be met for preventive measures to be taken (“an entity within the IAIG seems likely to operate in a manner that is inconsistent with any relevant regulatory requirements, <u>and</u> would have a material adverse effect on the IAIG as a whole...”)</p>	<p>The wording will not be changed. The ComFrame standard is consistent with the ICP standard (ICP 10.2), which applies to supervision of all insurers. The intent is to require preventive measures to be taken before an entity which belongs to the IAIG breaches regulatory requirements or causes a material adverse impact on the IAIG.</p> <p>The supervisor should start acting when there is likelihood of irregularities. But existence of this likelihood should be determined on the basis of information reported by the IAIG, analysis made by the group-wide supervisor, information provided by other involved supervisors etc.</p> <p>It has not been agreed to change “or” for “and”. It is appropriate to take preventive measures in any of two situations mentioned in the standard.</p>
CF10.5b (now CF10.6b)	<p>The language at the end of CF10.5b reads stronger than in CF10.5a. The language in both standards should be aligned. It was also proposed to delete the last part of the sentence, because such a requirement may ask for cross-border enforceability, which is not given.</p>	<p>The wording in those two standards does not have to be identical, because they refer to different phases of escalating supervisory actions. But the wording in CF10.5b (<i>now CF10.6b</i>) will be amended in order to address the issue of cross-border enforceability.</p>
CF10.6a (now CF 10.7a)	<p>A number of issues as regards this standard was raised:</p> <ul style="list-style-type: none"> - Applying sanctions to the Head of the IAIG is only justified if non-compliance is in the responsibility of the Head of the IAIG; - The group-wide insurance supervisor does not have authority to apply measures directly to the Head of the IAIG or a financial holding company over which the group-wide supervisor does not have jurisdiction; - The standard suggests that all sanctions are applied directly to the Head of the IAIG, however supervisors can achieve similar 	<p>The wording of the standard will not be changed. It is agreed that applying sanctions directly to the Head of the IAIG is not always necessary. The standard indicates that a sanction should be applied directly to the Head of the IAIG where appropriate.</p> <p>Guidance under CF10.6a (<i>CF10.6a.3, now CF10.7a.3</i>) specifies that indirect powers to apply sanctions should be used by the group-wide supervisor if the Head of the IAIG is not located in its jurisdiction. The wording of guidance under CF10.6a (<i>now CF10.7a</i>) will be amended to provide more explanation on the application of sanctions by the group-wide supervisor.</p>

	<p>outcomes regardless of whether sanctions are applied directly or indirectly.</p> <ul style="list-style-type: none"> - When suggesting the imposition of penalties and sanctions, there should be more definitive criteria than the vague term “appropriate”. 	<p>As regards the term “appropriate”, it provides necessary flexibility. It is not possible to pre-define the circumstances. It may also be misleading to provide some selective examples.</p>
CF10.6b (now CF 10.7b)	<p>CF10.6b should refer to communication rather than coordination with other involved supervisors, since the involved supervisor will be the one to carry out the sanction on the legal insurance entity within its jurisdiction. It is not clear what is expected by coordination in this regard.</p> <p>It was suggested that the involved supervisor should co-ordinate with other involved supervisors regardless of whether the sanction has a material effect on the supervision of the IAIG as a whole or a material effect on another insurance entity.</p> <p>There should be a process of review or appeal on the decision made by the involved supervisors. Any corrective measure must be taken only after due process and in accordance with applicable laws and regulations.</p>	<p>The standard will be reworded to refer to communication between involved supervisors, rather than cooperation.</p> <p>The standard sets a minimum of communication in case of intention to impose a sanction with a material effect on the IAIG as a whole or another insurance entity. But it does not prevent a broader scope of communication, ie in case of sanctions not having a material impact.</p> <p>The objective of this standard is to set expectations towards communication between involved supervisors before imposing a sanction. It does not replace the due supervisory process before sanctions are imposed. No change will be made in this regard.</p>

General comments on recovery plans (ICP 10.3.3 – 10.3.5 and ComFrame in 10.3)

Ref.	Summary of comments received	IAIS response
General	<p>There were questions on the exact nature of a recovery plan, its relation to preventive (ICP 10.2) or corrective (ICP 10.3) measures, and the role of the supervisor versus the insurer in applying the plan.</p>	<ul style="list-style-type: none"> • The term “recovery plan” stems from the FSB Key Attributes for Effective Resolution. A recovery plan is meant to be developed pre-emptive and well in advance of any sign of crisis. IAIS therefore disagrees with some comments made that recovery plans should only be initiated after a certain (solvency) trigger is breached. IAIS endorses the FSB principle of early preparation and planning where appropriate, for responding to severe stress. • The language in ICP and ComFrame will be amended to provide more background on the nature and content of recovery plans. It will also be clarified that the plan as a whole will not be

		<p>automatically applied by the supervisor; instead it is expected that the insurer uses the plan when responding to severe stress situations and that it serves the supervisor as valuable input in such situations.</p> <ul style="list-style-type: none"> IAIS will also develop an application paper on this topic.
General	We received comments on whether ICP 10.3 was the best placement for supervisory material on recovery plans.	IAIS is considering the best placement of this material within the ICPs. We note the suggestions made to move this to ICP 10.2, ICP 8 or ICP 16.
General	Various questions if existing plans such as ORSA may also serve as a recovery plan.	IAIS notes the comments in regard to links to ORSA and other contingency plans, but does not agree that ORSA achieves the same purpose as the recovery plan. The supervisor may however take into account other plans developed by the insurer when requesting a recovery plan. IAIS also agrees that the relationship with ORSA needs to be clarified, however this may be done in a future application paper.

Comments on ICP 10.3.3 – 10.3.5

Ref.	Summary of comments received	IAIS response
10.3.3	Requests to further develop the idea of proportionality. Also, some stakeholders were of the view that this requirement should only be for global systemically important insurers or internationally active insurance groups and not mandatory for all insurers.	<ul style="list-style-type: none"> The concept of proportionality is applicable to all ICPs, however the wording under 10.3.3 will be amended to clarify further that the proportionality principle does not only apply to the requirement itself, but also to the level of detail, depth and contents of such a plan when required. The revised ICP does not contain a requirement for recovery plans to be developed for all insurers. Instead, supervisors <i>may</i> require a recovery plan.
10.3.5	Some respondents noted that an annual review is too burdensome.	The text will be revised to requesting a “regular update”.

Comments on ComFrame material in ICP 10.3

Ref.	Summary of comments received	IAIS response
CF 10.3a	Various respondents commented that IAIG recovery planning should be discretionary and subject to the principle of proportionality.	IAIS has decided that for IAIGs the requirement of a recovery plan should not be discretionary. However, we will include concepts of proportionality in the text. Its practical application may be further developed in an application paper.
CF 10.3a	Some respondents asked the IAIS to make clear that only the IAIG needs to have a recovery plan, and that additional recovery plans by legal entities are neither needed nor prudent.	IAIS disagrees. There may be circumstances in which a host supervisor may require a recovery plan for entities or branches within a group; in these cases the coordination and cooperation processes as established in ICP 25 and ComFrame material integrated therein apply.
CF 10.3.a2 and CF 10.3.a3	Various respondents commented that pre-defined criteria should trigger consideration of recovery actions under the recovery plan, but should not trigger automatically certain pre-defined actions, as the exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances.	Pre-defined criteria that trigger the implementation of the recovery plan are an essential element of recovery plans. However, we agree that one cannot define nor predict beforehand what recovery action is most effective and suitable in the actual crisis event. This will depend on circumstances. The text will be amended accordingly.
CF 10.3a.3	We received mixed responses on the pre-defined criteria. Some respondents requested to have a non-exhaustive list of triggers to be added to the standard, whereas others were of the opinion that there should be full discretion for the IAIG on defining the triggers.	IAIS believes that, although the recovery plan is the responsibility of the insurer, the supervisor should be able set minimum requirements for the elements of such a plan. We will include some additional guidance text on triggers, their nature and some additional examples. However, it is not the intention for the triggers provided to be exhaustive as such will need to be tailored to each insurer and its operations.
CF 10.3a.7	There was some confusion on the use of the language “functions that are critical to the group”, because FSB also uses the term “critical functions” when referring to systemically important functions in resolution planning.	The reference here was meant to be a general reference to functions that are critical to continuing business operations. It was not meant to refer to critical functions as used by the FSB for resolution planning purposes. The text will be amended to avoid further confusion.
CF 10.3b	Various respondents commented that it should be clarified that it does not require a separate Management Information System to be maintained for the purposes of recovery planning, and that existing internal systems and controls can be adequate.	IAIS agrees with this and this will be made clear in the text.

Comments on ComFrame material integrated in ICP 12

Ref.	Summary of comments received	IAIS response
General	Some respondents asked for guidance to be added on the role of policy holder protection schemes (PPS) in resolution.	Please note that not every jurisdiction has a PPS. Having said this, the role of PPSs might be developed in a further IAIS application paper.
General	It was asked to make reference to the proportionality principle.	See our answer to the general comment above. Also, the practical application of proportionality in the case of resolution may be further elaborated in an application paper.
CF 12.2a.1	There were some comments on the lack of clarity of the objectives of resolution. Some commented the ComFrame text should make explicit a certain hierarchy between financial stability versus policy holder protection. Some even noted that financial stability need not be an objective at all.	CF 12.2a.1 has been drafted to enable jurisdictional flexibility regarding the resolution of insurers, including IAIGs. Also IAIS believes that maintenance of financial stability should be an additional objective of resolution for IAIGs, where applicable.
CF 12.2b	Some respondents asked to clarify that in some exceptional circumstances the use of public funding may be necessary.	The IAIS agrees and the language will be clarified to refer to the minimising of reliance on public funding. However, in principle, any public funding used for the resolution of the IAIG should be recouped from the insurance sector in a transparent manner.
CF 12.3a	It was asked to make specific reference to the case of reinsurers when discussing requirements for resolution planning. It was stated that reinsurers should by default be broadly exempt from requirements of resolution planning, particularly as the objectives of the resolution framework do not apply to reinsurers in the same way as direct writers.	We note the perspective that resolution planning is less relevant for reinsurers and the reasons stated therein. As no changes to the CF standard were however requested, we further note that CF12.3a as drafted already provides that group-wide supervisors and/or resolution authority, in coordination with the an IAIG's CMG, has discretion to determine whether a resolution plan is necessary for any IAIG.
CF 12.3a	It was asked that the requirement to develop a resolution plan to be limited to IAIGs that are experiencing solvency issues or are likely to be no longer viable.	CF 12.3a enables supervisors and/or resolution authorities to develop resolution plans of any IAIG when deemed necessary in consultation with the CMG. This is not limited to those IAIGs experiencing solvency concerns. To limit to such circumstances would fail to recognize the potential benefits of prior planning. The standard as drafted allows for judgement as to the need for resolution plans. Prior planning is supported to ensure sufficient readiness for supervisors to respond effectively.

CF 12.3a.1	Various respondents asked there to be additional guidance text on the cooperation between supervisors, resolution authorities and within the Crisis Management Group.	This is dealt with in ComFrame material under ICP 25; we will add a reference.
CF 12.3a.3	Some respondents were challenging the statement that host supervisors may have their own resolution plans for the IAIG's insurance legal entity in their jurisdiction.	We acknowledge your disagreement with the guidance in CF12.3a.3. However, as noted previously, the ICPs and CF must be responsive to jurisdictional differences and boundaries. We will add additional guidance that host jurisdiction resolution plans should be established in cooperation with the group-wide supervisor and/or resolution authority.
CF 12.3a.4	Various respondents were of the opinion that resolution plans should not be updated annually.	"at least annually" will be replaced by "on a regular basis."
CF 12.3b	Some respondents asked for clarification on the frequency of updating resolvability assessments.	This comment is appreciated and a new guidance paragraph will be added, using similar wording that was used on updating resolution plans.
CF 12.3c	It was asked to clarify that an MIS is only needed when a resolution plan is required.	IAIS disagrees. The requirement to maintain an MIS that is able to produce timely information in a resolution context should apply without regard to whether the GWS and IAIG's CMG deem it appropriate for the development of a resolution plan.
CF 12.3c	Various respondents commented that it should be clarified that it does not require a separate Management Information System to be maintained for the purposes of resolution planning, and that existing internal systems and controls can be adequate.	IAIS agrees with this and this will be made clear in the text.
CF 12.7a	It was mentioned this standard was a duplication of ICP guidance text 12.7.4.	This is not a duplication because in ICP it is only guidance ("recommendation") and here it is part of the standard ("requirement").
CF 12.7a	Some respondents were of the opinion that this standard was too prescriptive. Some members also noted that they currently do not have all these powers.	IAIS previously agreed that the powers here listed should be available for all resolutions of an IAIG. However, there is nothing in the text that provides for how a jurisdiction can demonstrate the availability of such powers. This allows for appropriate jurisdictional flexibility where such demonstrations could be made through legislation, case law, reference to documented past practice, etc.
CF 12.12a.1	Some respondents found it problematic to extend ICP 12 and CF 12 to non-regulated operational entities or non-insurance regulated entities.	IAIS deems that the language provides sufficient flexibility, e.g. by using the disclaimer "where appropriate", and by noting that this guidance is not intended to override any existing sectorial requirement (e.g. for banks).

Summary of comments on the ComFrame material integrated into ICP 25

Ref.	Summary of comments received	IAIS response
General	Standards and guidance addressing the establishment and functioning of the supervisory college should apply equally to all groups and not just IAIGs.	Not agreed. ICP 25 does not require establishment of a college for each group, therefore it does not provide for detailed rules of functioning of the colleges. The IAIS Application Paper on Supervisory Colleges covers aspects of the operational functioning of all colleges, while ComFrame includes requirements addressing specific characteristics of supervision of the IAIGs.
CF25.1a.1	Guidance CF 25.1a.1 should be deleted. The IAIS has identified a narrow set of specific powers the group-wide supervisor should be able to apply directly to the Head of the IAIG, whereas the guidance suggests a much broader expectation on direct powers in ComFrame and it seems to overemphasize this factor in determining who should be the group-wide supervisor for an IAIG. It was also raised that ICP 25.1.1 and 25.1.2 address the identification of a group-wide supervisor, so it is unnecessary to have a provision specifically for IAIGs.	This ComFrame guidance refers to an IAIG-specific issue, in addition to those listed in the ICP guidance. Therefore, the guidance will be kept but it will be revised in order to provide a more balanced wording.
CF25.6a	There should not be a requirement for a minimum frequency of the college meetings (which is at least annually) if there is no need for that. At the same time, it was proposed to clarify that meetings should take place by telephone conference call or other means where an in-person meeting is not practical.	The minimum annual frequency of the college meetings will be maintained. It should be kept in mind that, according to ICP 25.6.7, meetings of the supervisory college should take place by telephone conference call or other means where an in-person meeting is not practical. This will also be highlighted in the guidance supporting standard CF 25.6a.
CF25.6a.2	There was confusion about the nature of the coordination agreements and the period for which such agreements are signed, and when the agreements should be confirmed.	The coordination agreement is not meant to cover certain period of time, but to determine functioning of the college on a permanent basis. The activities of a college for a certain period of time should be determined in a college workplan (please see the Application Paper on Supervisory Colleges). As regards the timing issue, it should be discussed during the first meeting of the college, but can be confirmed later (eg by means of signing it and sending the signed copy to the group-wide supervisor).

CF25.6a.2	Respondents asked for clarification of what is meant by “ongoing basis” and suggested redrafting the guidance.	“On an ongoing basis” means that the communication and information exchange should not be limited to the college meetings.
CF25.7a	It was suggested to reconsider if the use of the FSB Key Attributes terminology is appropriate in ComFrame (Crisis Management Group, recovery and resolution planning). Otherwise, it could be understood that G-SII measures are applied to IAIGs.	Not agreed. There should be consistency in using terminology that applies to the same institutions. It also needs to be highlighted that FSB Key Attributes do not apply only to supervision of G-SIIs.
CF25.7a and guidance	<p>Establishment of a crisis management group for each IAIG should not be mandatory.</p> <p>There was confusion as regards using different names for the same institution. It is not necessary to spell out that the crisis management group may be named differently, since presumably the same naming flexibility exists with respect to other constructs in the ICPs and ComFrame.</p> <p>It was suggested to include some examples of the conditions as to the composition of membership of the IAIG CMG.</p>	<p>The requirements to establish a crisis management group for the IAIG (IAIG CMG) will be kept. Taking into account a specific nature of the IAIGs, it is justified to establish an institution of the IAIG CMG with specific tasks and objectives.</p> <p>As specified in guidance, the IAIG CMG may be established under a different name so long as it fulfils the objectives of a crisis management group for the IAIG CMG. In addition, guidance clarifies that a supervisory college may qualify as the IAIG CMG if the conditions listed in the guidance are met.</p> <p>It has been decided not to add examples of the conditions as to the composition of membership of the IAIG CMG, because such conditions will be very dependent upon the structure of the IAIG and potential composition of the IAIG CMG. Generalised examples are unlikely to be helpful and may be misleading.</p>
CF25.7b	<p>ICP 25.5 requires the group-wide supervisor to set a written coordination agreement. The standard and guidance set out in CF 25.7b should not be unique to IAIGs or CMGs, and hence should also be applied to non-IAIGs. It was suggested to amend ICP 25.5 accordingly and delete CF 25.7b.</p> <p>At the same time it was suggested – if CF 25.7b is to remain – to amend it to require a “written coordination agreement” so as to align with ICP 25.5.</p>	The standard and guidance will be kept, as they refer to a coordination arrangement of a specific institution, which is the IAIG CMG, whereas ICP 25.5 refers to a coordination agreement for coordination arrangements referred to in ICP 25.4. “Written” will be added in CF25.7b.