INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

Compiled Comments from Members and Stakeholders on: i. ComFrame material integrated into ICPs 8, 15 and 16 and ii. Additional questions related to ICP 16 and ComFrame material integrated into ICP 16

November 2017 – January 2018

ComFrame material integrated into ICP 8

November 2017 – January 2018

Organisation	Jurisdiction	Answer
2 - Q2 Comment on the additional ComFrame material integrated into ICP 8		
16. International Insurance Foundation	International	The standard should explicitly mention the insurer´s chief risk officer and dictate that the position has access to Board, sufficient resources and authority to provide unbiased and independent assessments of the firm´s risks, risk management activities, and system of internal controls.
17. Home Loan Guarantee Company NPC	Johannesburg	No Comment
18. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	FINMA would like to make a general comment, applicable to the ComFrame text of this ICP but also ComFrame texts in all other ICPs: Since the start of the ComFrame project back in 2010, several of the ICPs have considerably developed and thereby contributed to a strengthening of supervisory regimes and practices. Developments occurred especially in revised ICPs 4, 5, 7, 8, 23 and part of 25 by November 2015 as well as in the endorsed revisions (November 2017) of ICPs 9, 10, 12 and 25. For instance, insurance group aspects and international cooperation in supervision have been substantially expanded in the ICPs. In our view, this positive development has led to a situation where the initial existing gaps in terms of supervisory approaches have been reduced. Consequently, we would like to bring up the question if the need to address specific requirements for IAIGs still exists, or if the gap has not already been closed with the ICP revisions. FINMA was among the initiators of ComFrame. However, taking past, current and planned future developments into consideration, we see the need to review the initial justification for the introduction of an additional layer of requirements.

		To concentrate on one strong holistic layer of requirements (ICPs) would also address the criticism by some of the IAIGs that (1) they fear to be put on competitive disadvantage to those domestic as well as international groups which do not fulfil the IAIG criteria and that (2) an additional layer of supervisory requirements is not needed.
19. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8): Thank you for the opportunity to comment on the Proposal. We understand the Proposal is part of the International Association of Insurance Supervisors' (IAIS) effort to develop a global framework for jurisdictional regulators to identify and manage emerging and existing systemic risks that threaten the broader global financial system. We encourage the combined efforts of global regulatory bodies including the IAIS, Federal Reserve Board, National Association of Insurance Commissioners, U.S. State regulators, foreign insurance regulators and others to develop a group capital framework that leverages the existing highly effective regulatory capital frameworks in place around the globe while achieving the regulatory objectives of the IAIS. The strength of the local frameworks, including that which exists in the U.S., is a result of an evolved structure that coordinates over 50 states and territories, with a direct focus on individual insurance legal entities that must maintain adequate capital to protect underlying policyholders. The regulatory governance processes include requirements to review and approve insurance products before they are introduced, insurance product pricing, inter-company transactions including insurance and non-insurance affiliates, and the authority to collect information used to monitor of the underlying insurers for emerging risks, including systemic risks that can be identified and addressed proactively in an effort to reduce the risk of potential insolvencies and to protect the interests of policyholders. We understand that the IAIS' ultimate goal is a single ICS that is capable of producing comparable global capital adequacy computations. While the IAIS' objective is to develop a methodology that

		will produce results that are substantially the same across all jurisdictions for common sets of inputs, we believe this is an overly challenging goal to achieve. In contrast to the computation of a consistent global measure, we believe a goal to produce consistent outcomes is more realistically achievable. The outcomes we envision would be represented by designations such as, "adequately capitalized" and not a precise capital ratio that would be fully comparable across jurisdictions. We believe this goal reflects the reality of different jurisdictional products, legal systems and regulatory requirements that will not accommodate a single global measurement framework. Moreover, even if one were required, it would be interpreted and applied differently around the world as the IAIS maintains no global enforcement mechanisms to drive global consistency. In summary, we believe the IAIS process should not replace the existing robust U.S. governance and supervisory measures or those existing in other jurisdictions, but rather should leverage and complement them by using their outcomes to indicate whether specific insurer or regional insurer issues are emerging which will allow regulators to discuss emerging risks and how to best deal with them and contain them before they cause any larger systemic issues. We hope you find our responses and observations useful, and we are available to answer any questions or to provide further clarification. Sincerely, Sam Pilch Senior Group Vice-President Finance Kevin Spataro Senior Vice President, Corporate Accounting Research
6 - Q6 Comment on new ComFrame Standard CF8.1a		
43. Insurance Europe	Europe	Insurance Europe would like to note that this additional requirement for groups to document differences in risk management systems across the individual group should not be a purely academic exercise. The granularity of this documentation and resources required should be

		balanced according to the purpose it has (ie to feed into the overall group risk management system and reveal risk concentrations and other relevant factors). An element of materiality should therefore be included in CF8.1a.
44. Global Federation of Insurance Associations	Global	GFIA would like to note that this additional requirement for groups to document differences in risk management systems across the individual group should not be a purely academic exercise. The granularity of this documentation and resources required should be balanced according to the purpose it has (i.e. to feed into the overall group risk management system and reveal risk concentrations and other relevant factors). An element of materiality should therefore be included in CF8.1a, and the wording should be amended as follows: "… major differences in risk management…"
45. AIA Group	Hong Kong	We propose to replace the word "require" with "consider requiring" as follows and to add a materiality element to the differences in risk management: "The group-wide supervisor consider requiring the IAIG to reflect, in the documentation of the IAIG's risk management system, material differences in risk management that may apply to different legal entities within the IAIG, due to the nature, scale and complexity of the risks associated with business conducted locally."
46. General Insurance Association of Japan	Japan	Although this standard is premised on more centralised control functions, more decentralised control functions should also be allowed. Each group entity establishes its risk management system in consideration of jurisdictional regulations. It is not always necessary to document, in the IAIG´s risk management system, all the differences in the group entities´ risk management systems. Therefore, we suggest revising "reflect" to "take into account".
47. The Life Insurance	Japan	As for the scope of documentation in this paragraph, it may be understood as the IAIG is required to document all differences in risk management. This would not be relevant in terms of enhancing

Association of Japan		the cost-benefit performance. Therefore, the wording of "differences in risk management system" should be amended as "major differences in risk management".
48. Home Loan Guarantee Company NPC	Johannesburg	No Comment
49. American Council of Life Insurers	Office of General Counsel	ACLI believes that supervisory focus should be on requiring documentation of material differences in risk management that may apply among the group's entities, as distinguished from any and all differences, however insignificant. We ask that the word "material" be inserted to modify the word "differences."
50. Monetary Authority of Singapore (MAS)	Singapore	Suggest to make clear the meaning of "at all levels", as below: The group-wide supervisor requires the Head of the IAIG to establish, and operate within, an appropriately documented and effective risk management system that operates at the levels of the Head of the IAIG and its legal entities and covers, at a minimum, the…
51. ICMIF	UK	We think the current wording is far too strong and would suggest toning it down with the addition of 'major' before 'differences in risk management that may apply to different legal entities within the IAIG'.
52. Institute and Faculty of Actuaries	UK	This paragraph and sub-paragraphs may be better placed under 'Basic components of the risk management system' under paragraph 8.1.4, rather than under the paragraphs that deal with 'risk assessment'.
54. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
55. Institute of International	United States/Switzerland	An element of materiality ought to be incorporated into this standard. To require the head of the group to document each and every instance where "differences in risk management may apply to different legal entities" would be a hugely burdensome task. The standard should allow insurance

Finance/Geneva Association		groups the flexibility to monitor such details at the entity level consistent with the risk management framework maintained at the group level.
56. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Due to the wide-range of management practices and governance approaches in place across insurance groups (e.g., centralized, decentralized, federated, etc.), ComFrame standards should allow some flexibility for insurance groups in determining the level at which risk management policies, procedures and limits are set. It is unclear from the standard and the guidance provided what constitutes a difference in risk management and whether there is a threshold (all? material?) for when a difference should be documented. Suggest providing clarity here.
7 - Q7 Comment on new ComFrame Guidance CF8.1a.1		
57. General Insurance Association of Japan	Japan	As we commented on CF 8.1a, we suggest revising "include explanations of" to "take into account". In addition, the rationales as to the risk appetite for different individual entities within the IAIG are based on regulations and market conditions of each jurisdiction. As it is not always necessary to take into account and document all the rationales in the IAIG´s risk management system, we suggest adding "where necessary under the proportionality principle" at the end of this paragraph.
58. Home Loan Guarantee Company NPC	Johannesburg	No Comment
59. Monetary Authority of Singapore (MAS)	Singapore	Suggest that the following edits be made for better clarity: The IAIG's risk management system should: • be integrated with its organisational structure, decision-making processes, business operations and risk culture; • be integrated within its legal entities; and …

60. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
8 - Q8 Comment on new ComFrame Guidance CF8.1a.2		
61. Insurance Europe	Europe	Given that no detailed provisions on methodologies such as stress tests and scenario analysis are included in ICP 8.1 before CF8.1a.2, Insurance Europe would suggest that this Guidance in its granularity may be better placed elsewhere.
62. Global Federation of Insurance Associations	Global	Given that no detailed provisions on methodologies such as stress tests and scenario analysis are included in ICP 8.1 before CF8.1a.2, GFIA would suggest that this Guidance in its granularity may be better placed elsewhere.
63. Home Loan Guarantee Company NPC	Johannesburg	No Comment
64. Institute and Faculty of Actuaries	UK	Stress and scenario testing applies equally to entities as well as groups and we believe that it is useful to have an overarching comment more generally. Paragraph CF8.1a.2 relating to stress and scenario testing, whilst relevant, is not mentioned elsewhere in ICP8. We suggest this paragraph is incorporated more generally under the paragraphs that deal with 'Assessment' (i.e. under paragraphs 8.1.7 and 8.1.8). Comments around the documentation of risk assessment made above (paragraph 8.1.8) also apply here, including the need to document the key judgments made.
65. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).

66. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This guidance is somewhat unclear. Should the IAIG document these things in general or document differences among these items that may apply to different legal entities? If it is the former, the guidance does not seem to fit here; if it is the latter, suggest clarifying.
13 - Q13 Comment on revised ComFrame Standard CF8.1b		
98. Insurance Europe	Europe	Insurance Europe supports the clarification made in the beginning of this Standard. However, it is not entirely clear what is meant by “sophistication and functionality of information and reporting systems in addressing key group-wide risks”. Insurance Europe believes that – if this refers to internal reporting lines and information exchange within the IAIG – a more general category should be adapted at Standard level. This category could say for example: • "Complexity of the IAIG structure and related operational risks, such as efficient information exchange." Comments on ComFrame Guidance CF8.1b.2: Insurance Europe agrees with the content of the Guidance in general. However, the requirement to properly assess risks associated with new business lines and products would sit better elsewhere in the framework. For example, the responsibility may be better placed with local entity Boards of operating subsidiaries who manufacture products, rather than the Head of the IAIG which may in fact be a parent/holding company. Furthermore, it may not be appropriate to require that a full risk assessment is carried out before any new business lines and/or products are introduced at a legal entity level. Insurance Europe suggests amending this as follows:

		"…before the IAIG enters into material new business lines and products…"
99. Global Federation of Insurance Associations	Global	GFIA supports the clarification made in the beginning of this Standard. However, it is not entirely clear what is meant by "sophistication and functionality of information and reporting systems in addressing key group-wide risks". GFIA believes that – if this refers to internal reporting lines and information exchange within the IAIG – a more general category should be adapted at Standard level. This category could say for example: "Complexity of the IAIG structure and related operational risks, such as efficient information exchange." Comments on ComFrame Guidance CF8.1b.2 GFIA agrees with the content of the Guidance in general. However, the requirement to properly assess risks associated with new business lines and products would sit better elsewhere in the framework. For example, the responsibility may be better placed with local entity Boards of operating subsidiaries who manufacture products, rather than the Head of the IAIG which may in fact be a parent/holding company. Furthermore, it may not be appropriate to require that a full risk assessment is carried out before any new business lines and/or products are introduced at a legal entity level. GFIA suggests amending this as follows: "…before the IAIG enters into material new business lines and products…"

100. AIA Group	Hong Kong	We suggest that there be a materiality element to CF8.1b.2. Accordingly, please find below suggested amended wording in the first sentence for your consideration: “The Head of the IAIG should ensure that a risk assessment is carried out before the IAIG enters into new business lines and products which are material to its business and that an ongoing risk assessment is carried out after entering into such new business areas.”
101. International Insurance Foundation	International	Insert "business strategy" in the first item, as follows: ´be integrated with its business strategy, organisational structure, decision-making processes, business operations, legal entities and risk culture." Add as an additional bulleted item: "recommend improvements to be achieved in the subsequent reporting period."
102. General Insurance Association of Japan	Japan	Although this standard is premised on more centralised control functions, more decentralised control functions should also be allowed. As the description is too detailed for a standard, the list should be moved to a guidance level and it should be clarified that the listed matters are examples. Even if the list is dealt with in guidance, we are concerned that (although this is not explicitly stated) the description could be read to indicate that strict documentation of all the matters on the list is required to establish a risk management system. In particular, it is impractical to require documentation of "laws and regulations of the jurisdictions in which the IAIG operates". It is more appropriate to require the Head of the IAIG to establish a system that "considers" these listed matters, rather than "covers".
103. Home Loan Guarantee Company NPC	Johannesburg	No Comment
104. American Council of Life Insurers	Office of General Counsel	ACLI recommends deleting the words “sophistication and.” We are unclear what the word "sophistication" means or adds in this context since the appropriate standard is that the risk

		management system functions "fit for purpose," which will vary by company and may vary by jurisdiction.
105. Institute and Faculty of Actuaries	UK	This paragraph notes that the Head of the IAIG should ensure the risk management systems considers, amongst other aspects, the interconnectedness of the legal entities within the IAIG. We think it would also be useful to add an explicit reference to capital management and capital fungibility in support of group companies.
106. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
15 - Q15 Comment on revised ComFrame Standard CF8.1c		
115. Insurance Europe	Europe	The frequency of the review should not be annually but periodically depending on the risk profile and reactive to the changes of the structure/business strategy of the IAIG.
116. Global Federation of Insurance Associations	Global	The frequency of the review should not be annually but periodically depending on the risk profile and reactive to material changes of the structure/business strategy of the IAIG.
117. General Insurance Association of Japan	Japan	It is not always necessary for all the IAIGs to annually review how emerging risks could affect their risk management system. Therefore, "annually" should be revised to "where necessary" or "when environmental changes have significantly affected the IAIG´s business strategy".
118. Home Loan Guarantee Company NPC	Johannesburg	No Comment

119. American Council of Life Insurers	Office of General Counsel	ACLI recommends replacing the word "annually" with the word "periodically." That change would clarify that in some instances, for example, more frequent reviews might be appropriate.
120. ICMIF	UK	With regard to the changes affecting the IAIG's structure we would like to insert the concept of materiality concerning the assessment of changes in one or more entities of the group, as well as deleting the last sentence of CF8.1c.1, which seems odd in an ICP.
121. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
122. Institute of International Finance/Geneva Association	United States/Switzerland	Such a review would be a dynamic process and should not be a static annual exercise. We would suggest replacing annually with "periodic". If a minimum frequency periodic review should be defined, it should be at least every 5 years instead of every year.
16 - Q16 Comment on new ComFrame Guidance CF8.1c.1		
123. Insurance Europe	Europe	This provision should be limited to material changes only. The purpose and addressee (IAIG or group supervisor) of the second sentence in this Guidance is unclear. Insurance Europe therefore suggests deletion.
124. Global Federation of Insurance Associations	Global	The purpose and addressee (IAIG or group supervisor) of the second sentence in this Guidance is unclear. GFIA therefore suggests deletion. Also, an element of materiality should be clarified to enhance the cost-benefit performance, and the wording of first sentence should be amended as follows: "The IAIG should assess whether a material change…"

125. The Life Insurance Association of Japan	Japan	It may be interpreted as the IAIG is required to assess all the changes that may affect its risk profile overall. Therefore, the wording of "whether a change" should be amended as "whether a material change".
126. Home Loan Guarantee Company NPC	Johannesburg	No Comment
127. American Council of Life Insurers	Office of General Counsel	ACLI recommends that the word "material" be inserted in the first sentence: "The IAIG should assess whether a MATERIAL change occurring in one or more entities may affect the IAIG's risk profile overall." Without this clarification, the IAIG is directed to assess any and all changes with equal attention and resources.
128. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
17 - Q17 Comment on new ComFrame Guidance CF8.1c.2		
129. Home Loan Guarantee Company NPC	Johannesburg	No Comment
130. Swiss Re	Switzerland	The opposite situation (e.g. impact of changes at the Group level on legal entities) may also be mentioned (it is in a number of places in ICP 16).
131. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
18 - Q18 Comment on new ComFrame Guidance CF8.1d.2		

132. Insurance Europe	Europe	Comment on ComFrame Guidance CF8.1d.1 Insurance Europe would like to clarify that risk management training may not necessarily be relevant to all staff. The following slight re-wording is further proposed in relation to the prescribed content for processes and procedures: "Processes and procedures for promoting an appropriate risk culture should include risk management training, address the segregation of duties and create appropriate incentives for relevant staff."
133. Global Federation of Insurance Associations	Global	Comment on ComFrame Guidance CF8.1d.1 GFIA would like to clarify that risk management training should be only necessary for staff it is of relevance to. Furthermore, the phase “issue of independence” is unnecessarily vague, so GFIA suggests the following slight re-wording in relation to the prescribed content for processes and procedures: “Processes and procedures for promoting an appropriate risk culture should include risk management training, address the segregation of duties and create appropriate incentives for relevant staff”.
134. International Insurance Foundation	International	Add as 1e: "The group-wide supervisor evaluates the effectiveness of the IAIG´s corporate governance, controls, and risk management system and holds the IAIG accountable for achieving its stated risk management objectives."
135. Home Loan Guarantee Company NPC	Johannesburg	No Comment

136. Institute and Faculty of Actuaries	UK	This paragraph refers to emerging risks in the context of an IAIG's risk culture. This should be extended to potential changes in risk profile, together with crystallisation of risks.
137. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
22 - Q22 Comment on revised ComFrame Standard CF8.2a		
153. Insurance Europe	Europe	As per previous comments submitted on ICP 8 and other ICPs related to governance, Insurance Europe would suggest clarification as to who or what is the 'Head of the IAIG' in the context of this proposal.
154. Global Federation of Insurance Associations	Global	GFIA would suggest clarification who or what the "Head of the IAIG" in the context of this proposal is.
155. General Insurance Association of Japan	Japan	Although this standard is premised on centralised control functions, more decentralised control functions should also be allowed. As the description is too detailed for a standard, the list should be moved to a guidance level and it should be clarified that the listed matters are examples. Even if the list is dealt with in guidance, we are concerned that the description could be read to indicate that strict documentation of all the matters on the list is required to establish an internal controls system. In particular, it is impractical to document "laws and regulations of the jurisdictions where the IAIG operates". At the same time, although there are lots of relevant laws and regulations, the scope of this standard is ambiguous. It is more appropriate to require establishment of a system that "considers" these listed matters in documents, rather than "covers".
156. Home Loan Guarantee Company NPC	Johannesburg	No Comment

157. American Council of Life Insurers	Office of General Counsel	ACLI urges reconsideration of CF8.2a. It is unclear how it aligns with the underlying ICPs. In addition, it is inconsistent with U.S. industry standards and regulations, makes no reference to materiality, and may well be inconsistent with standards and regulations in other jurisdictions. Examples in the U.S. are the U.S. COSO Framework and U.S. SEC regulations such as those implementing the U.S. Sarbanes–Oxley Act (“SOX”). Its inconsistency with SOX makes this standard difficult to implement.
158. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
159. Institute of International Finance/Geneva Association	United States/Switzerland	While not open for comment, we have noted that a prior comment we believe of importance is not reflected in revisions to CF8.2a, namely "It is unclear how this ComFrameStandard aligns with the underlying ICPs. In addition it is inconsistent with industry standards, U.S. COSO Framework, U.S. SEC regulations such as those implementing the U.S. Sarbanes–Oxley Act (“SOX”). There is no indication of materiality. Its inconsistency with SOX makes this standard difficult to implement"
23 - Q23 Comment on revised ComFrame Standard CF8.6a		
160. Insurance Europe	Europe	Insurance Europe still considers that Standard CF8.6a as currently drafted does not adequately reflect the actuarial function’s role in assessing the appropriateness of methodologies and assumptions used in the calculation of capital requirements and technical provisions. There furthermore appears to be an overlap with proposed Standard CF 16.7e (please refer to comments provided there). Insurance Europe would recommend changing the bullet points as follows: • Amendment to the first bullet points to state a more specific focus on the calculations, as follows

		"assessment of the appropriateness of methodologies and underlying models and controls relevant to govern the activities of the IAIG's actuarial function or financial condition;" • The second bullet point as drafted refers to all compliance issues which should in fact fall under the responsibility of the compliance function. The bullet point should be deleted or, alternatively, specified as follows: "procedures to identify actuarial-related compliance issues at one of the insurance legal entities in the IAIG or the IAIG as a whole, as applicable;" • The third bullet point should be specified to say: "the reliability of the calculation of the IAIG's solvency position, including assessing the methodology and assumptions used in the calculation of regulatory capital requirements and technical provisions;" • The fifth bullet point should be amended to reflect that the actuarial function should express an opinion on pricing and reinsurance but not be responsible for the development of the arrangements. Therefore, recommend that the bullet point is amended as follows: "an opinion on pricing and assessment of the adequacy of the IAIG's reinsurance arrangements; and"
161. Allianz	Germany	• The Actuarial Function should not be responsible for the group wide risk assessment but should support the assessment from an actuarial perspective. The risk assessment is coordinated and performed by risk function typically. • While the Actuarial Function is responsible for the calculation of technical provisions, the solvency position and regulatory capital requirements are out of scope for the Actuarial Function and typically assigned to the risk function.

		• The same applies for capital adequacy assessments and stress tests where usually the risk function assumes the responsibility.
162. Global Federation of Insurance Associations	Global	GFIA still considers that Standard CF8.6a as currently drafted does not adequately reflect the actuarial function's role in assessing the appropriateness of methodologies and assumptions used in the calculation of capital requirements and technical provisions. Furthermore, there appears to be an overlap with proposed Standard CF 16.7e (please refer to comments provided there). GFIA would recommend changing the bullet points as follows. Amendment to the first bullet point to state a more specific focus on the calculations, as follows to clarify its scope and ensure consistency with ICP 8.6: "assessment of the appropriateness of methodologies and underlying models and controls relevant to govern the activities of the IAIG's actuarial function or financial condition" The second bullet point as drafted refers to all compliance issues which should in fact fall under the responsibility of the compliance function. The bullet point should be deleted or, alternatively, specified as follows: to clarify its scope and ensure consistency with ICP 8.6: "procedures to identify actuarial-related compliance issues on related statutory and regulatory requirements at one of the insurance legal entities in the IAIG or the IAIG as a whole, as applicable" GFIA recommends rewording the third bullet point so that the actuarial function is responsible for overseeing the actuarial portions of the solvency calculation. While actuarial calculations, such as technical provisions often factor in an IAIG's solvency position, there are also items outside of the actuarial function that impact an IAIG's solvency position, and therefore the responsibility for performing an overview of the current and prospective solvency calculations often lies outside of the actuarial function. The third bullet point should be reworded to say:

		"the reliability of the calculation of the actuarial portion of the IAIG's solvency position, including assessing the methodology and assumptions used in the calculation of regulatory capital requirements and technical provisions;" The fifth bullet referring to the development, pricing and assessment of the adequacy of the IAIG's reinsurance arrangements should be deleted and reinsurance arrangements should be referred in the first bullet by replacing "actuarial matters" with "actuarial matters (including reinsurance arrangements)". OR The fifth bullet point should be amended to reflect that the actuarial function should express an opinion on pricing and reinsurance but not be responsible for the development of the arrangements. Therefore, recommend that the bullet point is amended as follows: "an opinion on pricing and assessment of the adequacy of the IAIG's reinsurance arrangements; and" In addition, compliance functions may be assigned to other that the actuarial function.
163. AIA Group	Hong Kong	Our main comment on this ICP is that each IAIG may differ in their organisational structure and typically certain responsibilities which have been listed in this ICP may not be within the responsibility of the actuarial function. Moreover, there is a duplication of requirements with other ICPs and as such, this ICP should be consistent with those ICPs. We suggest the IAIS take this comment into consideration and consider revising this ICP.
164. International Insurance Foundation	International	For emphasis, suggest: "provide unrestricted, independent advice and reporting directly to the IAIG Board on the insurance activities and risks posed to the IAIG."

165. General Insurance Association of Japan	Japan	Although this standard is premised on centralised control functions, more decentralised control functions should also be allowed. As the description is too detailed for a standard, the list should be moved to a guidance level and it should be clarified that the listed matters are examples. Even if the list is dealt with in guidance, it should be revised to flexibly allow for different approaches. It is common in Japan that an insurer´s actuarial function is fulfilled collectively by several divisions, and we recognise that such practices do not entail problems. Therefore, such practices as the above should clearly be allowed under ComFrame. In particular, detailed requirements on the operations of an IAIG´s actuarial function will increase the burden of the Head of the IAIG. Hence, it should be clarified that, with regard to the IAIG´s actuarial function, simplified responses and those depending on proportionality are allowed. We would also like to note that the application of the proportionality principle should be clarified for other functions as well. Moreover, the added bullet point ("procedures to identify compliance issues…") could be read to refer to overall compliance issues within an insurance entity, and therefore misleading. It should be clarified that this bullet only deals with compliance issues regarding actuarial activities. We suggest, for example, revising it to "procedures to identify compliance issues relevant to the IAIG´s actuarial activities…".
166. The Life Insurance Association of Japan	Japan	The scope of “compliance issues” prescribed in this paragraph is not clear. Therefore, the wording should be specified as “compliance issues on related statutory and regulatory requirements” to ensure consistency with ICP 8.6.
167. Home Loan Guarantee Company NPC	Johannesburg	No Comment
168. American Council of Life Insurers	Office of General Counsel	Several provisions are excessively prescriptive or otherwise inappropriate and should be revised. In the preface, the inclusion of “risks arising within or emanating from insurance legal entities…” is more appropriately included in other ICPs. It is not necessarily under the purview of the actuarial function. In the first bullet, we note that the IAIG’s “financial condition” should not necessarily be the responsibility of the actuarial function. With respect to the second bullet, it is not clear whether

		“compliance issues” relate to actuarial policies or compliance in a legal/regulatory sense. The latter would seem to be outside the scope of the actuarial function. Indeed, the responsibility for identifying compliance issues will depend on what the compliance issue is. As we believe that IAIS intends to recommend that actuarial departments be responsible only for compliance issues related to the actuarial function, we suggest bullet two be clarified by amending it to read: “procedures to identify compliance issues related to actuarial items at one of the legal entities in the IAIG or the IAIG as a whole, as applicable.” Bullets 3 and 4 propose to require the actuarial function to provide an overview of the current and prospective solvency position of an IAIG.The responsibility of the actuarial function should not necessarily include the calculation of current and future required capital levels. While actuarial calculations such as technical provisions often factor into an enterprise’s solvency position, there are also items outside of the actuarial function which would impact the solvency position of an IAIG. Since many areas in addition to the actuarial function would contribute to the solvency calculation, the responsibility for performing an overview of the current and prospective solvency calculations often lies outside of the actuarial function in, for example, the Controller’s area, with input from other areas as necessary. The projection of future positions may be handled by Treasury Departments. In some organizations, it is more effective for risk modeling to be covered by a separate unit, not the actuarial function. Approaches may properly vary from company to company. Therefore bullets 3 and 4 should be substantially revised. CF8.6b´s language proposing to require an IAIG´s actuarial function to provide “independent advice…on insurance activities and risks” is excessively broad. The role of the actuarial function should be limited to technical provisions, pricing/underwriting, and reinsurance.
169. Monetary Authority of Singapore (MAS)	Singapore	IAIS may wish to consider explicitly highlighting the need to consider "appropriateness of intra-group reinsurance arrangements, which result in risks still being retained within the IAIG".
170. Swiss Re	Switzerland	Compliance issues are included here under the remit of the Actuarial rather than Risk function (second bullet point). This does not make sense in our view and we would strongly encourage IAIS to revise this.

		Assessing "the IAIG's prospective solvency position by conducting capital adequacy assessments and stress tests, under various scenarios, and measuring their relative impact on assets, liabilities, and actual and future capital levels; " is indeed a very reasonable component of enterprise risk management. However, such an analysis requires the input of various functions, including, but not limited to, the finance function. Requiring that this be carried out by the actuarial function is in our view excessively prescriptive. In addition, risk modelling may be covered by a separate unit, not necessarily the actuarial function.
171. ICMIF	UK	We believe most of the tasks that this paragraph lists as expected from the actuarial function are too broad. The actuarial function should principally assess and validate the methods and calculations used for the establishment and the maintenance of the IAIG's solvency position.
172. Institute and Faculty of Actuaries	UK	We believe the previous wording was more appropriate and the changes in the first bullet point are difficult to make sense of: The group-wide supervisor requires the Head of the IAIG to ensure that the IAIG actuarial function provides […] Group-wide risk assessment and management policies and controls relevant to govern the activities of the IAIG's actuarial function or financial condition; As it is written, it suggests that the IAIG's actuarial function oversees its own governance activities, which we do not believe is intended. It is also not clear what 'financial condition' is referring to in this sentence, with the current wording potentially implying that the guidance applies to the financial condition of the actuarial function itself. It would therefore make sense to maintain the previous wording – '…or the financial condition of the IAIG.'

		We think it would be clearer to change references to 'IAIG's actuarial function' to 'actuarial functions at the insurance legal entity level'; this latter phrase is used in CF8.6b.
174. Cincinnati Insurance Company	United States of America	See answer to Q1 (General Comment on revisions made in ICP 8).
175. Institute of International Finance/Geneva Association	United States/Switzerland	In CF8.6a – Several provisions are excessively prescriptive or otherwise inappropriate • The inclusion of "risks arising within or emanating from insurance legal entities…" is more appropriately included in other ICPs. It is not necessarily under the purview of the actuarial function. • The IAIG's "financial condition" should not necessarily be the responsibility of the actuarial function. • The responsibility for identifying compliance issues will depend on what the compliance issue is. For example is there is a sales compliance issue then the responsibility would fall to the compliance department . However, complying with laws regarding calculations of reserves would fall to the actuarial department. While we believe it is the intention of the IAIS to recommend actuarial departments are responsible for compliance issues related to the actuarial function, we would suggest this be made more clear by amending the wording of Bullet 2 to read "procedures to identify compliance issues related to actuarial items at one of the legal entities in the IAIG or the IAIG as a whole, as applicable. " • The responsibility of the actuarial function should not necessarily include the calculation of current and future required capital levels. • The actuarial function is already defined in local prudential regulation such as Solvency II regulation. The responsibilities of the actuarial function are different in the ICP in comparison with

		SII. Therefore this paragraph leads to confusion in the implementation of the prudential regulation. • In some organizations, it is more effective for risk modelling to be covered by a separate unit, not the actuarial function • The requirement to provide "independent advice…on insurance activities and risks" is excessively broad. It should be limited to technical provisions, pricing/underwriting, and reinsurance. In addition, while not open for comment, we note that important observations we made to what are now third and fourth bullets under CF 8.6a have not been addressed, namely [These bullets] require the actuarial function to provide an overview of the current and prospective solvency position of an IAIG. While actuarial calculations such as technical provisions often factor into an enterprises solvency position there are also items outside of the actuarial function which would impact the solvency position of an IAIG. Since many areas in addition to the actuarial function would contribute to the solvency calculation the responsibility for performing an overview of the current and prospective solvency calculations often lies outside of the actuarial function in, for example, the Controller's area with input from other areas as necessary. The projection of future positions may be handled by Treasury Departments. This may vary from company to company. As this is the case, we recommend rewording these bullets such that guidance has the actuarial function overseeing the actuarial portions of the current and prospective solvency calculation only. Our observations on ComFrame's assumption of the scope of the actuarial function also apply to the related ICPs which as the basis for ComFrame, should be adjusted as follows: ICP 8.6 should remove "capital adequacy" from the requirements ICP 8.6.2 bullet 4 should be removed

		ICP 8.6.4 bullet 2 should remove the "and capital requirements, as well as other obligations or activities" portion of the bullet ICP 8.6.4 bullet 3 should remove "and the valuation of assets" portion of the bullet ICP 8.6.4 bullet 4 and bullet 5 should be reworded so that the actuarial function is only reviewing the actuarial portion of the insurer's current and prospective solvency position ICP 8.6.4 bullet 6 should remove the "or the financial condition of the insurer" portion of the bullet ICP 8.6.4 bullet 12 should remove the "or financial projections, or for solvency" portion of the bullet ICP 8.6.4 bullet 13 should remove the "or financial matters" portion of the bullet. In addition, ICP 8.6.12 should be removed in its entirety. The phrase "adequately perform" is open to interpretation and could lead the Appointed Actuary to be unable to adequately perform the duties of their position when regulators take positions that the Appointed Actuary may disagree with.

ComFrame material integrated into ICP 15

November 2017 – January 2018

Organisation	Jurisdiction	Answer
2 - Q2 General comment on ComFrame material in ICP 15		
18. Canadian Institute of Actuaries	Canada	The Canadian Institute of Actuaries has reviewed the proposed revisions to ComFrame material in ICP 15 and does not have any edits to suggest.
19. International Insurance Foundation	International	The ComFrame material is not sufficiently integrated to achieve the objective of avoiding unintended duplication. It tends to echo the same highly specific rules of the ICP rather than articulating general principles which could serve as a common framework across jurisdictions.
20. Home Loan Guarantee Company NPC	Johannesburg	No Comment
21. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	FINMA would like to make a general comment, applicable to the ComFrame text of this ICP but also ComFrame texts in all other ICPs: Since the start of the ComFrame project back in 2010, several of the ICPs have considerably developed and thereby contributed to a strengthening of supervisory regimes and practices. Developments occurred especially in the revisions of these two ICPs, revised ICPs 4, 5, 7, 8, 23 and part of 25 by November 2015 as well as in the endorsed revisions (November 2017) of ICPs 9, 10, 12 and 25. For instance, insurance group aspects and international cooperation in supervision have been substantially expanded in the ICPs. In our view, this positive development has led to a situation where the initial existing gaps in terms of supervisory approaches have been reduced. Consequently, we would like to bring up the question if the need to address specific requirements for IAIGs still exists, or if the gap has not already been closed with the ICP revisions. FINMA was among the initiators of ComFrame. However, taking past, current and planned future

		developments into consideration, we see the need to review the initial justification for the introduction of an additional layer of requirements. To concentrate on one strong holistic layer of requirements (ICPs) would also address the criticism by some of the IAIGs that (1) they fear to be put on competitive disadvantage to those domestic as well as international groups which do not fulfil the IAIG criteria and that (2) an additional layer of supervisory requirements is not needed.
22. Cincinnati Insurance Company	United States of America	See answer to Q1. Since ICP 15 should be eliminated, there is no need to include ComFrame material in ICP 15.
23. National Association of Insurance Commissioners (NAIC)	USA, NAIC	While the ICP material continues to provide appropriate flexibility as it pertains to establishing rules-based versus principle-based approaches to regulatory investment requirements (i.e. legal insurance entity requirements), the related ComFrame criteria is far too rules-based and creates an imbalance in the entire regulatory framework between what is and is not appropriate for group supervision versus legal entity insurance investment requirements. If anything, legal insurance entity requirements should be more rules-based than principle-based, but the material shows an imbalance toward more rules-based approaches for group supervision and more principle-based for legal entity. Examples of these imbalances are provided in individual comments. As the NAIC has stated in the past, what is most important for group supervision is for involved supervisors to understand and agree upon the major risks faced by the IAIG and to know what the IAIG is doing to mitigate or address those risks. All insurers have their own unique characteristics, and the regulatory and supervisory approach should recognize this and provide the flexibility needed to adapt to each unique situation. The group-wide supervisor and supervisory college meeting participants should identify and agree upon the material risks of the group (including various investment risks), how those risks are mitigated, and a plan for monitoring or addressing any unmitigated risks within the group. A number of ComFrame standards (CF 15.2a, 2e, 2f and 4a) focus on requiring IAIGs to set policies and limits but unfortunately the connection to the supervisory process is missing and these come across as requirements for requirements sake.

29 - Q29 Comment on ComFrame Standard CF 15.2a		
197. International Insurance Foundation	International	For the sake of clarity, separate the two ideas of 1) a group-wide investment policy in general, and 2) exposure to low-quality investments.
198. General Insurance Association of Japan	Japan	While this standard requires establishment of a group-wide investment policy that addresses "the selection of, and exposure to, low-quality investments or investments whose security is difficult to assess", IAIGs could deal with these issues through other measures, depending on factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of their individual group entities. This standard should not aim to provide for a uniform approach only in the form of an investment policy. Rather, it is more important to focus on how the Head of the IAIG appropriately manages investments, even if by different means. Therefore, we suggest adding the following sentence at the end of this standard: "However, alternative approaches (other than a uniform one in the form of the IAIG´s group-wide investment policy) should be permitted according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG".
199. Home Loan Guarantee Company NPC	Johannesburg	No Comment
200. American Council of Life Insurers	Office of General Counsel	Many insurance groups do not have a group-wide supervisor or lead supervisor with authority to regulate enterprise-wide investment activity. Rather, local supervisors are charged with establishing and imposing limits and restrictions on the insurance legal entities within their jurisdiction, including with respect to intragroup transactions. While we agree that, as a matter of good corporate governance, it is prudent to establish and maintain enterprise-wide investment

		policies, the guidance should recognize and accommodate existing jurisdictional limitations and supervisory frameworks and focus on desired outcomes.
201. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria. As an example, investment policy is included in ICP 8 and 15.
202. Prudential Financial, Inc.	United States of America	The standard is overly prescriptive in its reference to "the Head of the IAIG". We do not believe this requirement is appropriate. The standard should instead be written as follows, "The group-wide supervisor requires the IAIG to ….".
203. Institute of International Finance/Geneva Association	United States/Switzerland	See our response in Q1 that calls for focus on achieving desired outcomes for group supervision. While we agree that, as a matter of good corporate governance, it is prudent to establish and maintain enterprise-wide investment policies, the guidance should recognize and accommodate existing jurisdictional limitations and supervisory frameworks and avoid suggesting that formal group-wide supervision is necessary or required.
30 - Q30 Comment on ComFrame Guidance CF 15.2a.1		
204. Insurance Europe	Europe	Insurance Europe proposes to delete this point. An insurer would always need to take into account local regulatory investment requirements regardless of the quality of the assets. The distinction that this is required for low-quality assets is therefore unnecessary.
205. Global Federation of Insurance Associations	Global	It is not clear why regulatory investment requirements for "investments in low-quality assets" are specifically singled out. An insurer would always need to take into account local regulatory investment requirements. GFIA suggests deleting this point.
206. AIA Group	Hong Kong	While the regulatory investment requirements may be a consideration in the group-wide investment policy, the overall consideration should be the aggregate investment in low-quality assets.

207. Home Loan Guarantee Company NPC	Johannesburg	No Comment
208. American Council of Life Insurers	Office of General Counsel	It is not clear why regulatory investment requirements for “investments in low-quality assets” are specifically singled out. An insurer would always need to take into account local regulatory investment requirements. Suggest deleting this point.
209. ICMIF	UK	We don’t understand the reference to ‘low quality investments’ in this context
210. Institute of International Finance/Geneva Association	United States/Switzerland	It is not clear why regulatory investment requirements for “investments in low-quality assets” are specifically referenced. An insurer would always need to take into account local regulatory investment requirements. Suggest deleting this point.
31 - Q31 Comment on ComFrame Standard CF 15.2b		
211. Insurance Europe	Europe	Insurance Europe would welcome further clarification of “undue reliance”. It further welcomes that the assessment should be made on its larger or more complicated exposures and notes that it Is unrealistic to expect an IAIG to perform bespoke credit analysis on each of its investments. Not only do insurance companies have limited interest and ability in developing exhaustive credit risk assessment models, but they also do not have the special expertise, access to a wealth of internal information and ability to make use of economies of scale and scope that Credit Rating Agencies have, and which make it possible for them to issue credit ratings. It is very difficult to imagine how such a complex business model could be replicated within an insurance company. Insurance Europe therefore believes that any proposals aimed at requiring undertakings to carry out own credit risk assessments for every entity or financial instrument would not be realistic.
212. Global Federation of	Global	GFIA considers that this provision is too vague to be meaningful; in particular it is extremely unclear what ‘undue reliance’ entails. It is also unrealistic to expect IAIGs to perform their own credit analysis on every investment.

Insurance Associations		
213. International Insurance Foundation	International	This wording gives the wrong emphasis. Better to say: "The group-wide supervisor holds the IAIG accountable for its own investment selection and risk management process." The guidance below adequately addresses undue reliance on credit rating agencies.
214. Home Loan Guarantee Company NPC	Johannesburg	No Comment
215. American Council of Life Insurers	Office of General Counsel	See comment on 15.1.11 on group-wide supervision.
216. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria. We would agree that no undue reliance should be placed on assessments by unapproved credit rating agencies, but we do not consent generally requiring insurance groups to conduct own due diligence. Especially in cases where there is a regulatory approval process for credit rating agencies determining that their rating may be used for regulatory purposes with regards to specific investments, it might seem unnecessary burdensome to generally require an own due diligence in any case, even for very common or standardized investments.
217. Institute of International Finance/Geneva Association	United States/Switzerland	See our response in Q1 that calls for focus on achieving desired outcomes for group supervision. While we agree that insurers should conduct their own due diligence and avoid placing undue reliance on external credit rating agencies, the guidance should recognize and accommodate

		existing jurisdictional limitations and supervisory frameworks. It should be amended to read "the group-wide supervisor should act to ensure that the IAIG avoids…"
218. National Association of Insurance Commissioners (NAIC)	USA, NAIC	While there are areas where supervisors may need to consider the quality of the assessments made by rating agencies, such assessments continue to generally provide a view of the credit that can be helpful. It is unclear what a blanket requirement to "avoid placing undue reliance" means in this context.
32 - Q32 Comment on ComFrame Guidance CF 15.2b.1		
219. International Insurance Foundation	International	As suggested above, this paragraph should elaborate, not simply repeat the language of the Standard.
220. Home Loan Guarantee Company NPC	Johannesburg	No Comment
221. American Council of Life Insurers	Office of General Counsel	This provision seems too nebulous to be meaningful or enforceable. "Undue reliance" is extremely vague. It is also unrealistic to expect companies to perform their own credit analysis on every investment.
222. Institute of International Finance/Geneva Association	United States/Switzerland	We consider that the following paragraph (CF 15.2b.1) should be deleted: - The IAIG should not solely rely on the credit risk assessment provided by credit rating agencies. The IAIG should conduct due diligence to check the appropriateness of such credit risk assessments using various sources of information and conducting its own credit assessments on its larger or more complex exposures. It is normal that insurers rely on credit rating agencies whose job is to provide credit risk assessments. Moreover it is neither the responsibility nor the job of the insurer to make such assessments or check the reliability of the assessments of a credit rating agency (which are in some jurisdictions like Europe under specific regulations). Finally, credit rating agencies will be useless if insurers do such assessments because insurers will prefer to produce internal ratings.

		And insurers who not produce internal ratings will not be able to check the appropriateness of ratings from credit rating agencies and therefore it is a theoretical constraint not applicable.
40 - Q40 Comment on ComFrame Standard CF 15.2c		
264. Insurance Europe	Europe	Insurance Europe believes this standard should be removed as it related to capital fungibility, and not to investments, and should therefore be part of ICP 17.
265. Global Federation of Insurance Associations	Global	GFIA believes this standard should be removed as it related to capital fungibility, and not to investments, and should therefore be part of ICP 17.
266. AIA Group	Hong Kong	It will be challenging or even impossible to consider “all potential legal and practical impediments”. Please consider revising the wording to state “all reasonably foreseeable legal and practical impediments which would be material to the IAIG’s ability to transfer capital and assets on a cross-border basis”.
267. Home Loan Guarantee Company NPC	Johannesburg	No Comment
268. American Council of Life Insurers	Office of General Counsel	See comment on 15.1.11 on group-wide supervision. Any discussion of liquidity and fungibility of capital is more appropriately addressed in ICP 17.
269. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.

270. Swiss Re	Switzerland	As an slight alternative, we would propose as a requirement for the IAIG to "document the specific assumptions made regarding the transfer of capital and assets when assessing liquidity requirements and their implications for the investment portfolio." This would be more practical IAIGs to carry out, while achieving roughly the same outcome. See also our response to 15.2c.1 below.
271. Prudential Financial, Inc.	United States of America	The standard is overly prescriptive in its reference to "the Head of the IAIG". We do not believe this requirement is appropriate. The standard should instead be written as follows, "The group-wide supervisor requires the IAIG to ….".
272. Institute of International Finance/Geneva Association	United States/Switzerland	As a slight alternative, we would propose as a requirement for the IAIG to "document the specific assumptions made regarding the transfer of capital and assets when assessing liquidity requirements and their implications for the investment portfolio." This would be more practical for IAIGs to carry out, while achieving roughly the same outcome. See also our response to 15.2c.1 below.
273. Property Casualty Insurers Association of America (PCI)	USA	As with Guidance ICP 15.2.16, capital fungibility issues between group members are issues of risk management and legal entity capital requirements than investment policy. This language should be removed and considered when ICP 17 Capital Requirements is redrafted.
41 - Q41 Comment on ComFrame Guidance CF 15.2c.1		
274. Insurance Europe	Europe	Insurance Europe believes this standard should be removed as it related to capital fungibility, and not to investments, and should therefore be part of ICP 17.
275. Global Federation of Insurance Associations	Global	GFIA believes this standard should be removed as it related to capital fungibility, and not to investments, and should therefore be part of ICP 17.
276. General Insurance	Japan	Regarding specific legislative restrictions that apply to the transfer of capital and assets from one jurisdiction to another as well as additional restrictions that apply in the case of the resolution of

Association of Japan		an entity, approaches other than documentation could be taken. Therefore, we suggest deleting this guidance or adding "depending on materiality and necessity" to the first sentence.
277. Home Loan Guarantee Company NPC	Johannesburg	No Comment
278. American Council of Life Insurers	Office of General Counsel	ACLI believes this standard should be removed as it related to capital fungibility, and not to investments, and should therefore be part of ICP 17. If it remains, edit language to read “consider” instead of “document.”
279. Monetary Authority of Singapore (MAS)	Singapore	Suggested edit for clarity: “The IAIG should have documented procedures on actions required for cross-border transfer of capital and assets in normal and stressed times.”
280. Swiss Re	Switzerland	In our view, it would be more efficient if 15.2c.1 put the burden on the supervisor (not the insurer) to document legislative restrictions. It is especially challenging for an insurer to anticipate how supervisors will react in stress conditions to limit cross-border transfers. The requirement should rather be placed on the supervisors to ensure that cross border flows are not unduly impeded in times of stress.
281. Institute and Faculty of Actuaries	UK	As per the comment in Q36, it is not clear what resolution specifically refers to – is this the resolution of an insolvent entity or one that is undergoing rehabilitation proceedings?
282. Institute of International Finance/Geneva Association	United States/Switzerland	Any legislative restrictions would be thoroughly considered in the event of a transaction or resolution of an entity as either situation would necessarily involve, for example, a company’s tax, legal, risk committees and possibly local boards, which would be aware of any restrictions applicable at that time. As such, we see little value in requiring the insurer to document each and every legislative restriction beforehand, which may pre-empt either a transaction in a hypothetical stressed scenario or an equally hypothetical resolution process. Indeed, it may be more efficient if this standard defers the task to the supervisor (not the insurer) to document legislative restrictions. It is especially challenging for an insurer to anticipate how

		supervisors will react in stress conditions to limit cross-border transfers. The requirement should rather be placed.
42 - Q42 Comment on ComFrame Standard CF 15.2d		
283. Insurance Europe	Europe	Insurance Europe believes this standard should be removed as it related to capital fungibility, and not to investment, and should therefore be part of ICP 17.
284. Global Federation of Insurance Associations	Global	GFIA believes this standard should be removed as it related to capital fungibility, and not to investment, and should therefore be part of ICP 17.
285. AIA Group	Hong Kong	We note that there is no standard definition or metric of liquidity. Please consider that it may be more efficient to set the minimum criteria for liquidity in the location where the policies are underwritten.
286. International Insurance Foundation	International	The requirements of the IAIG investment policy should include criteria for liquidity and location, making it unnecessary to specify here.
287. General Insurance Association of Japan	Japan	Since the asset liquidity of group entities should be examined individually taking into account factors such as their reinsurance policy and insurance contract portfolios, or major hazards and governmental involvement in jurisdictions where they operate, it is not always necessary to create uniform, IAIG-wide criteria. Therefore, we suggest adding the following sentence at the end of this standard: "However, alternative approaches (other than a uniform one in the form of the IAIG´s group-wide investment policy) should be permitted according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG".

288. Home Loan Guarantee Company NPC	Johannesburg	No Comment
289. American Council of Life Insurers	Office of General Counsel	This provision suggests that each insurance entity may not be “stand-alone” for risk management and liquidity purposes, which is inconsistent with applicable regulatory regimes.
290. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
291. Swiss Re	Switzerland	We would prefer it if the option were given to set minimum criteria for liquidity in either the liquidity policy or the group-wide investment policy. We would consider these criteria to be better established in a separate liquidity policy taking both investments and liabilities into consideration. Of course, this could be readily covered in the investment policy by simply referring to the liquidity policy. The reference to fungibility of capital should be considered instead in ICP 17.
292. Prudential Financial, Inc.	United States of America	The standard is overly prescriptive in its reference to “the Head of the IAIG”. We do not believe this requirement is appropriate. The standard should instead be written as follows, “The group-wide supervisor requires the IAIG to ….”.
293. Institute of International Finance/Geneva Association	United States/Switzerland	See our response in Q1. We view the requirement that minimum criteria for liquidity must be captured in the group-wide investment policy as being overly granular. We would consider these criteria to be better established as part of a company’s liquidity risk management framework taking both investments and liabilities into consideration. The language in this standard should allow for such differences in approach.

		Discussion of liquidity and fungibility of capital is more appropriately addressed in ICP 17.
48 - Q48 Comment on ComFrame Standard CF 15.2e		
310. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	We are concerned by the requirements on investment limits and concentration risk and note that both requirements can actually be replaced with a more principle-based approach, which would be in line with a risk-sensitive framework.
311. Insurance Europe	Europe	Insurance Europe is concerned by the requirements on investment limits and concentration risk and notes that both requirements can actually be replaced with a more principle-based approach, which would be in line with a risk-sensitive framework. Concretely, Insurance Europe believes the following redrafting would address the problem: "The group-wide supervisor requires the Head of the IAIG to consider internal limits or other requirements in the group-wide investment policy so that assets are properly diversified and asset concentration risk remains within established limits."
312. Global Federation of Insurance Associations	Global	GFIA is concerned by the requirements on investment limits and concentration risk and notes that both requirements can be replaced with a more principle-based approach, which would be in line with a risk-sensitive framework. Concretely, GFIA believes the following redrafting would address the problem: "The group-wide supervisor requires the Head of the IAIG to consider internal limits or other requirements in the group-wide investment policy so that assets are properly diversified and asset concentration risk remains within established limits." See comments on 15.1.2.

313. International Insurance Foundation	International	Again, diversification limits should be the core of the IAIG overall investment policy, making this mention redundant.
314. General Insurance Association of Japan	Japan	Setting limits and identifying levels of exposure regarding all assets are not always necessary. Thus, we suggest revising this standard as follows: "The Head of the IAIG may set limits or other requirements...". Alternatively, even when establishing such requirements, it should be clarified that setting levels of concentration in, and/or exposure solely to important assets will be sufficient. In addition, we suggest adding the following sentence at the end of this standard: "However, alternative approaches (other than a uniform one in the form of the IAIG´s group-wide investment policy) should be permitted according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG".
315. Home Loan Guarantee Company NPC	Johannesburg	No Comment
316. American Council of Life Insurers	Office of General Counsel	See comment on 15.1.11 on group-wide supervision. The text makes sense with respect to insurance companies; however, it makes less sense as you consider non-insurance companies that may be within an IAIG. If an insurer owns some other type of company as a diversifier of asset types (e.g. an asset manager) why should there should be a group wide investment policy that rolls in those non-insurance company subsidiaries that have their own regulators, clients, objectives, etc.? We also don't see how this paragraph works with 15.3.6 that seems to say look by company and "not subject to undue influence from the wider objectives of the group"
317. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an

		internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
318. Prudential Financial, Inc.	United States of America	The standard is overly prescriptive in its reference to "the Head of the IAIG". We do not believe this requirement is appropriate. The standard should instead be written as follows, "The group-wide supervisor requires the IAIG to ….".
319. Institute of International Finance/Geneva Association	United States/Switzerland	While we agree that, as a matter of good corporate governance, it is prudent for insurers to establish and maintain enterprise investment policies to ensure appropriate diversification and monitor group-wide exposures, we disagree with the level of prescriptiveness in this standard. Specifically, we are concerned by the requirements on investment limits and concentration risk and note that both requirements can actually be replaced with a more principle-based approach, which would be in line with a risk-sensitive framework. As such we would propose replacing the word "is mitigated" with "falls within established risk limits".
320. Property Casualty Insurers Association of America (PCI)	USA	While an IAIG certainly needs to actively manage its asset concentration risk, It is too restrictive to require it to state specific concentration limits in its group-wide investment policy. The following language would be preferable: "The group-wide supervisor requires the Head of the IAIG to consider internal limits or other requirements in the group-wide investment policy so that assets are properly diversified and asset concentration risk is mitigated."
49 - Q49 Comment on ComFrame Guidance CF 15.2e.1		
321. Global Federation of Insurance Associations	Global	GFIA suggests deleting the final bullet point – "geographic area" – as currency risk exposure should not be effectively mandated.
322. International Insurance Foundation	International	See above.

323. Home Loan Guarantee Company NPC	Johannesburg	No Comment
324. American Council of Life Insurers	Office of General Counsel	Suggest deleting “geographic area,” as currency risk exposure should not be effectively mandated.
50 - Q50 Comment on ComFrame Standard CF 15.2f		
325. International Insurance Foundation	International	Better to say: "The group-wide supervisor should hold the Head of the IAIG accountable for compliance with the group-wide investment policy."
326. General Insurance Association of Japan	Japan	Setting limits and identifying levels of exposure regarding all assets are not always necessary. Thus, we suggest revising this standard as follows: "The Head of the IAIG may set limits or other requirements...". Alternatively, even when establishing such requirements, it should be clarified that setting levels of concentration in, and/or exposure solely to important assets will be sufficient. In addition, we suggest adding the following sentence at the end of this standard: "However, alternative approaches (other than a uniform one in the form of the IAIG´s group-wide investment policy) should be permitted according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG".
327. Home Loan Guarantee Company NPC	Johannesburg	No Comment
328. American Council of Life Insurers	Office of General Counsel	
329. Swiss Financial Market	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different

Supervisory Authority (FINMA)		treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
330. Prudential Financial, Inc.	United States of America	The standard is overly prescriptive in its reference to “the Head of the IAIG”. We do not believe this requirement is appropriate. The standard should instead be written as follows, “The group-wide supervisor requires the IAIG to ….”.
51 - Q51 Comment on ComFrame Guidance CF 15.2f.1		
331. International Insurance Foundation	International	This wording implies that deviations from policy are routine, which is hardly a constructive message.
332. General Insurance Association of Japan	Japan	Regarding the second sentence, it is redundant to require the IAIG to regularly report exposures that do not exceed limits. It should be sufficient to require the Head of the IAIG to hold a scheme by which it can, when necessary, recognize exposures within the limits that could create financial difficulties. Therefore, we suggest deleting this sentence or, alternatively, revising it as follows: "To get a picture of its group-wide exposures, it will be helpful for the IAIG to hold a scheme by which it can, when necessary, recognize exposures even within the limits that could create financial difficulties, in cases where the value or liquidity of its investments decrease".
333. Home Loan Guarantee Company NPC	Johannesburg	No Comment
334. American Council of Life Insurers	Office of General Counsel	The text is awkward in how it reads – specifically the part about reports that must be included when something is within limits “if the value or liquidity of the investments decreases”. In addition to being a bit awkward to read, there is no indication about how companies should think about the value or liquidity decreasing – e.g. do we make everything go to 0, some other severe stress, some more normal stress, etc.?

335. Monetary Authority of Singapore (MAS)	Singapore	We suggest for the term "periodically" to be dropped. If not, we suggest that there could be greater clarity on what it is meant by periodic reporting of non-compliances.
336. Prudential Financial, Inc.	United States of America	The standard is overly prescriptive in its reference to "the Head of the IAIG". We do not believe this requirement is appropriate. The standard should instead be written as follows, "The group-wide supervisor requires the IAIG to ….".
66 - Q66 Comment on ComFrame Standard CF 15.4a		
395. Dai-ichi Life Holdings,Inc.	Japan	Various cases are assumed for the intra-group investment, and it is difficult to establish quantitative limits. Therefore, CF 15.4a should clearly describe about a method to control preventive process and the standard should be amended as follows. (Amended) The group-wide supervisor requires the Head of the IAIG to establish limits or criteria on intra-group investments in the group-wide investment policy.
396. General Insurance Association of Japan	Japan	Rather than establishing uniform limits on intra-group investments, greater emphasis should be placed on developing a mechanism to assess each intra-group investment appropriately. Thus we suggest revising "limits on intra-group investments" to "guidelines on the management of intra-group investments". In addition, we suggest adding the following sentence at the end of this standard: "However, alternative approaches (other than a uniform one in the form of the IAIG´s group-wide investment policy) should be permitted according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG".
397. Home Loan Guarantee Company NPC	Johannesburg	No Comment

398. American Council of Life Insurers	Office of General Counsel	See comment on 15.1.11 on group-wide supervision.
399. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
400. Swiss Re	Switzerland	We recommend that IAIS adds this requirement to the broader risk management policy(ies) rather than the investment policy. There is also a dependency on what IAIS understands as a limit. For example: it is not sensible for a parent entity to limit the size of its participations, but the participations should indeed be taken into account when assessing the overall liquidity position of the parent. So can we consider the liquidity limit a "limit on intra-group investments"? In our view, it would be preferable if the requirement was not to establish limits but rather to consider these aspects in determining capital adequacy and liquidity limits. While it is necessary for management to perform and document its assessment leading to an intra-group investment according for instance to the factors proposed in CF 15.4a1, limits on intra-group investments are too prescriptive. A due assessment will have to justify the materiality of the investment. Therefore, we support the following wording: “The group-wide supervisor requires the Head of the IAIG to establish criteria on intra-group investments in the group-wide investment policy.”
401. Institute and Faculty of Actuaries	UK	As this is not strictly related to the ability to assess investments and instead covers a range of topics covered in this section, it would perhaps be useful to move CF 15.4a and CF15.4a.1 to directly after ICP 15.2.1.
402. Prudential Financial, Inc.	United States of America	The standard is overly prescriptive in its reference to “the Head of the IAIG”. We do not believe this requirement is appropriate. The standard should instead be written as follows, “The group-wide supervisor requires the IAIG to ….”.

403. Institute of International Finance/Geneva Association	United States/Switzerland	See our response in Q1. While it is necessary for management to perform and document its assessment leading to an intra-group investment, according, for instance, to the factors proposed in CF 15.4a1, limits on intra-group investments are too prescriptive. A due assessment will have to justify the materiality of the investment. We propose amending the language to read: “The group-wide supervisor acts to ensure that the Head of the IAIG establish criteria on intra-group investments in the group-wide investment policy or the policies and guidelines governing the investment function.”
67 - Q67 Comment on ComFrame Guidance CF 15.4a.1		
404. AIA Group	Hong Kong	AIA’s view is that intra-group investments should be transacted on an arms-length basis. In addition, the list is prescriptive and may not be applicable to all intra-group investments.
405. Dai-ichi Life Holdings,Inc.	Japan	Various cases are assumed for the intra-group investment, and it is difficult to establish quantitative limits. Therefore, CF 15.4a.1 should clearly describe about a method to control preventive process and the standard should be amended as follows. (Amended) Limits or criteria on intra-group investments should consider, in particular: • their lack of liquidity; • contagion or reputational risk; • valuation uncertainty; and • potential impact on capital resources. The fact that intra-group investments might be subject to supervisory approval in certain jurisdictions does not remove the requirement for the IAIG to set its own limits or criteria.

406. Home Loan Guarantee Company NPC	Johannesburg	No Comment
407. American Council of Life Insurers	Office of General Counsel	The last paragraph after the bullets seems to recognize it can be hard/impossible from a regulatory perspective to set the limits referred to in the 1st paragraph – but then tell companies to do it anyhow. That may cause a company to violate another regulator's requirement – this should be a "best efforts" type of paragraph. We recommend that IAIS adds this requirement to the broader risk management policy(ies) rather than the investment policy.
408. Institute and Faculty of Actuaries	UK	As per the comment in Q66 above. In addition, there is the suggestion that intra-group investments always have issues related to liquidity and valuation uncertainty; this is not necessarily the case with 'vanilla' forms of investment banking transactions, performed via an entity in the group that is itself a regulated banking institution. We would therefore propose the words 'lack of' and 'uncertainty' be removed from the bullet point list. Perhaps a sentence could then be added below which mentions that a lack of liquidity and valuation uncertainty can be a feature of certain intra-group transactions depending on their nature.
409. Institute of International Finance/Geneva Association	United States/Switzerland	In line with our comment on CF15.4a, the language of CF15.4a.1 needs to be amended as follows: "Assessments of intra-group investments should consider in particular: … liquidity, … resources. The fact that intra-group investments might be subject to … does not remove the requirement to conduct a thorough assessment ahead of any intra-group investment, and proper documentation thereof."

ComFrame material integrated into ICP 16

November 2017 – January 2018

Organisation	Jurisdiction	Answer
82 - Q82 General comment on ComFrame material in ICP 16		
486. Home Loan Guarantee Company NPC	Johannesburg	No Comment
487. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	FINMA would like to make a general comment, applicable to the ComFrame text of this ICP but also ComFrame texts in all other ICPs: Since the start of the ComFrame project back in 2010, several of the ICPs have considerably developed and thereby contributed to a strengthening of supervisory regimes and practices. Developments occurred especially in the revisions of these two ICPs, revised ICPs 4, 5, 7, 8, 23 and part of 25 by November 2015 as well as in the endorsed revisions (November 2017) of ICPs 9, 10, 12 and 25. For instance, insurance group aspects and international cooperation in supervision have been substantially expanded in the ICPs. In our view, this positive development has led to a situation where the initial existing gaps in terms of supervisory approaches have been reduced. Consequently, we would like to bring up the question if the need to address specific requirements for IAIGs still exists, or if the gap has not already been closed with the ICP revisions. FINMA was among the initiators of ComFrame. However, taking past, current and planned future developments into consideration, we see the need to review the initial justification for the introduction of an additional layer of requirements. To concentrate on one strong holistic layer of requirements (ICPs) would also address the criticism by some of the IAIGs that (1) they fear to be put on competitive disadvantage to those domestic as well as international groups which do not fulfil the IAIG criteria and that (2) an additional layer of supervisory requirements is not needed.

488. American Academy of Actuaries	United States of America	The ICP should outline general roles and responsibilities related to an insurer's or group's risk management function and allow a company the flexibility to organize and carry out the roles and responsibilities of these activities based on its own unique characteristics. Such characteristics – including organizational structure, products offered, risk profile and regulatory requirements – vary widely among groups and jurisdictions, and often require different focus and emphasis from a risk management perspective. Prescribing specific activities that should be performed by specific areas within an insurer or group could be overly prescriptive and beyond the scope and intent of the ICP. ICP 16 should be sufficiently flexible to recognize the variety that exists within the insurance industry and within a particular company. Throughout our comments (e.g., in our comment on CF 16.1a), we suggest qualifications or clarifications where necessary to account for this variety (e.g., via the use of language such as "where applicable").
489. Cincinnati Insurance Company	United States of America	See answer to Q81. Since ICP 16 should be eliminated, there is no need to include ComFrame material in ICP 16.
101 - Q101 Comment on ComFrame Standard CF 16.1a		
534. Global Federation of Insurance Associations	Global	GFIA believes that the local regulations significantly contribute to factors of differences in the ERM framework; therefore, the wording of "as well as local regulations" should be added to the second sentence.
535. General Insurance Association of Japan	Japan	It is difficult to ensure uniformity and consistency across group entities and overseas subsidiaries by means of the IAIG´s risk management rules to secure the effectiveness of its ERM framework. Therefore, we suggest revising "Any differences" in the second sentence to "Material differences".
536. The Life Insurance Association of Japan	Japan	As the local regulations may also significantly contribute to factors of differences in the ERM framework, the second sentence of this paragraph should be specified by adding the wording of "as well as local regulations" as follows:

		Any differences in the ERM framework are required to be transparent and explicitly linked to the distinct nature, scale and complexity of the risks associated with business conducted locally, “as well as local regulations”.
537. Home Loan Guarantee Company NPC	Johannesburg	No Comment
538. Monetary Authority of Singapore (MAS)	Singapore	Any differences in the ERM frameworks should also take into account the varying legislative/regulatory requirements across the legal entities.
539. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
540. American Academy of Actuaries	United States of America	We suggest adding clarification or qualification to this requirement, such that consistency is only required where the entity’s risk is material to the entity’s and group’s overall risk profile, and the risk profile is sufficiently similar to the rest of the group to warrant a consistent framework. While we support application of a consistent ERM framework, the framework also should allow the flexibility to adjust for differences in regulatory requirements, risk profile, materiality, etc. Where an entity’s contribution to the group’s risk is not material or the entity has a risk profile very different from the rest of the group, a different approach to ERM may be more effective and efficient. Prescribing consistency in these instances may require actions that bring a cost but no or a negative benefit.
541. National Association of Insurance	USA, NAIC	As the NAIC has stated in the past, what is most important for group supervision is for supervisors to understand and agree upon the major risks faced by the IAIG and to know what the IAIG is doing to mitigate or address those risks. All insurers have their own unique characteristics, and the regulatory and supervisory approach should recognize this and provide the flexibility needed to adapt to each unique situation. The group-wide supervisor and supervisory college meeting

Commissioners (NAIC)		participants should identify and agree upon the material risks of the group (including those that might come as a result of different risk appetites across different legal entities).
102 - Q102 Comment on ComFrame Standard CF 16.1b		
542. Insurance Europe	Europe	Insurance Europe would ask the IAIS to clearly define the risk categories to avoid ambiguity, in particular it should be clarified what “strategic risk” as a separate risk category should entail. It is important this is clear, given that the list purports to establish the minimum risks an IAIG’s ERM needs to cover. In Insurance Europe’s view, strategic risk and concentration risks are not necessarily separate risk types, but are sometimes factors reflected in other risks. For example, instead of being categorised as a separate risk type, an IAIG’s ERM would recognise concentration risks the reflection of too little diversification within or across risk types. Increased risk or volatility arising from concentrations is considered within each of the risk types. It is possible that strategic/planning risks are not dealt with as a separate category either. \`Risks´ often associated with strategic planning or change in the competitive landscape could be treated either as causes of other risks (eg inappropriate distribution planning could cause increased lapses or claims) or as operational risks. Insurance Europe would furthermore suggest that Guidance on group risk could form a useful addition and clarification in the context of ERM for IAIGs.
543. Global Federation of Insurance Associations	Global	In GFIA’s view, strategic risk and concentration risks are not separate risk types, but are factors reflected in other risks. For example, Concentration risk is not a separate risk type, but is a reflection of too little diversification within or across risk types. Increased risk or volatility arising from concentrations is considered within each of the risk types. Strategic/Planning risks are not a separate category either. "Risks" often associated with strategic planning or change in the competitive landscape should be treated either as causes of other risks (e.g. inappropriate distribution planning could cause increased lapses or claims) or as operational risks.
544. AIA Group	Hong Kong	We suggest that the ICPs not be prescriptive. In any event, an IAIG’s ERM framework should only cover those risks which are applicable to it. As such, we recommend the insertion of the following

		wording: “The group-wide supervisor requires the IAIG’s ERM framework to cover the following risks which are applicable to it and the management of such risks in a cross-border context:” We would also like to ask whether concentration risk should be included in credit risk. Furthermore, we suggest the reference to group risk should be consistent with the reference to it in ICP16.1.5 and ICP16.1.6.
545. Home Loan Guarantee Company NPC	Johannesburg	No Comment
546. American Council of Life Insurers	Office of General Counsel	We question whether any list of risk categories can be appropriate and relevant to all IAIG’s. Consistent with our general comment, we recommend the principle require the outcome of consideration of those risk categories that are relevant within a cross-border context, rather than providing a prescriptive list of categories. It is not clear what group risk is and why it is not embedded in other risks.
547. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
548. Swiss Re	Switzerland	With regards to "strategic risk", we point out that there are varying definitions of what constitutes strategic risk management. In our opinion, in most jurisdictions strategic risk is covered by the ORSA.
549. Institute and Faculty of Actuaries	UK	As per Q93, it would make sense to align the risk types defined in ICP 16.1.1 with the list given here even though CF16.1b specifically refers to an IAIG context.

550. American Academy of Actuaries	United States of America	We suggest adding “Regulatory (Jurisdictional) Risk” to the list of risks required to be covered in the Internationally Active Insurance Group’s (IAIG’s) ERM framework.
551. Prudential Financial, Inc.	United States of America	Please clarify what is meant by "Group Risk”.
552. Institute of International Finance/Geneva Association	United States/Switzerland	The list of risks in CF 16.1b includes concentration and strategic risk as separate risk types that are required to be covered by the ERM Framework. We believe there are varying definitions of these risks and not all members consider these to be separate risk types, rather many consider these as factors reflected in other risks. For example, Concentration risk may be considered a reflection of too little diversification within or across risk types. Increased risk or volatility arising from concentrations is considered within each of the risk types. There are also varying definitions of “strategic risk” and we believe it is not a separate category either. `Risks´ often associated with strategic planning or change in the competitive landscape should be treated either as causes of other risks (e.g. inappropriate distribution planning could cause increased lapses or claims) or as operational risks. In most jurisdictions, strategic risk is covered by ORSA. In addition, it is also unclear what group risk is and why it is not embedded in other risks.
554. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Having a separate bullet for concentration risk is questionable considering concentration risk can be embedded within many of the other risks listed, including specifically credit risk, where diversification can be a key risk-management technique. Suggest deleting this bullet.
103 - Q103 Comment on ComFrame Standard CF 16.1c		
555. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	We would ask the IAIS to clearly define how they expect IAIG’s to demonstrate this requirement. While IAIG’s already undertake most of these activities, this information is not necessarily all held in a single document, and it would be burdensome and of little value to business to create a new document setting out things that are already addressed.

556. Insurance Europe	Europe	Insurance Europe would ask the IAIS to clearly define how they expect IAIGs to demonstrate this requirement. While IAIGs already undertake most of these activities, this information is not necessarily all held in a single document, and it would be burdensome and of little value to create a new document setting out things that are already addressed.
557. Global Federation of Insurance Associations	Global	GFIA would ask the IAIS to clearly define how they expect IAIGs to demonstrate this requirement. While IAIGs already undertake most of these activities, this information is not necessarily all held in a single document, and it would be burdensome and of little value to business to create a new document setting out things that are already addressed.
558. Home Loan Guarantee Company NPC	Johannesburg	No Comment
559. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
560. Institute of International Finance/Geneva Association	United States/Switzerland	We would ask the IAIS to clearly define how they expect IAIG's to demonstrate this requirement. While IAIG's already undertake most of these activities, this information is not necessarily all held in a single document, and it would be burdensome and of little value to business to create a new document setting out things that are already addressed elsewhere.
104 - Q104 Comment on ComFrame Guidance CF 16.1c.1		
561. Home Loan Guarantee Company NPC	Johannesburg	No Comment
105 - Q105 Comment on ComFrame Guidance CF 16.1c.2		

562. Canadian Institute of Actuaries	Canada	The CIA suggests expanding the list of examples to include the following: • Capital or equity injections from one subsidiary into another; • Currency effects such as if there are cost sharing or service contracts between subsidiaries; and • Types of capital in different jurisdictions (e.g., surplus notes in the US).
563. Insurance Europe	Europe	Intra-group transactions, and other factors groups and IAIGs are required to assess and manage accordingly (such as fungibility of capital and transferability of assets, etc), cross over areas covered by several ICPs (risk management and investment aspects, regulatory and economic capital setting and management, etc). Insurance Europe appreciates that a harmonised approach across ICPs may not be feasible at this stage due to the staged approach in revising ICPs in silo teams. However, this will result in significant work to be done in the overall review of ComFrame scheduled for 2018. This has two practical consequences in Insurance Europe's view: sufficient resources and time have to be reserved for the review on both sides IAIS and stakeholders, and the overall review in 2018 will likely cause the ICPs to require significant amendment again.
564. Global Federation of Insurance Associations	Global	Intra-group transactions and factors groups and IAIGs are required to assess and manage accordingly (such as fungibility of capital and transferability of assets, etc), cross over areas that are covered by several ICPs (risk management and investment aspects, regulatory and economic capital setting and management, etc). GFIA appreciates that a harmonised approach across ICPs may not be feasible at this stage due to the staged approach in revising ICPs in silo teams. However, this will only result in significant work to be done in the overall review of ComFrame scheduled for 2018. This has two practical consequences: sufficient resources and time have to be reserved for the review on both sides, by IAIS and stakeholders, and the overall review in 2018 will likely result in the ICPs being largely amended again.
565. Home Loan Guarantee Company NPC	Johannesburg	No Comment
106 - Q106 Comment on ComFrame Guidance CF 16.1c.3		
566. Global Federation of	Global	Support may also be withdrawn due to regulatory action.

Insurance Associations		
567. Home Loan Guarantee Company NPC	Johannesburg	No Comment
568. Monetary Authority of Singapore (MAS)	Singapore	We suggest to move this guidance under CF 16.1c.2 to use as an example to elaborate on the last bullet point on “pathways for contagion within the group”.
107 - Q107 Comment on ComFrame Guidance CF 16.1c.4		
569. Home Loan Guarantee Company NPC	Johannesburg	No Comment
570. Monetary Authority of Singapore (MAS)	Singapore	We suggest for drafting consistency throughout the document when referring to any entities within an IAIG. We note that the ICP 16 uses various terms such as ‘members’ (e.g. ICP 16.1.7), ‘legal entities’ (e.g. CF16.1a) and ‘entities’ throughout the document.
126 - Q126 Comment on ComFrame Standard CF 16.2a		
619. Insurance Europe	Europe	Insurance Europe has doubts that requiring an economic capital model to be used by IAIGs is appropriate. First, it is possible to manage risk effectively through tools other than economic capital models. Second, some organisations may have strong incentives to manage risk and capital through their applicable regulatory framework. In that circumstance, a distinct economic capital model has little practical value.
620. Global Federation of Insurance Associations	Global	GFIA has doubts that requiring an economic capital model to be used by IAIGs is appropriate. First, it is possible to manage risk effectively through tools other than economic capital models. Second, some organisations may have strong incentives to manage risk and capital through their applicable regulatory framework. In that circumstance, a distinct economic capital model has little practical value.

621. AIA Group	Hong Kong	Please note that certain jurisdictions may have their own regulatory framework to manage risk and capital and as such, it may not be necessary to have a separate economic capital model. Accordingly, this requirement to have an economic capital model should take into consideration the requirements of the different jurisdictions in which the IAIG operates especially the requirements of the group-wide supervisor that are already in place.
622. International Actuarial Association	International	CF 16.2.a and 16.2.b break new ground for IAIG's in requiring EC models and that they be subject to independent review. While this is a good move, some jurisdictions may use such models routinely while others may not. This may be a big change for some IAIG's and some jurisdictions.
623. General Insurance Association of Japan	Japan	As we commented on ICP 16.0.7, a reference to relationships between internal models and economic capital models should be included here.
624. Home Loan Guarantee Company NPC	Johannesburg	No Comment
625. American Council of Life Insurers	Office of General Counsel	Although economic capital models have merit and are frequently important risk management tools, they should not necessarily be required of all IAIGs, particularly when comparable models are required by the IAIG's regulatory solvency framework In that circumstance, the benefits may not outweigh the costs of developing and maintaining a distinct model It is possible to manage risk effectively through tools other than economic capital models and some organizations may have strong incentives to manage risk and capital through the regulatory framework, e.g. the Solvency II Standard Formula. In that circumstance, a distinct economic capital model has little practical value.
626. Monetary Authority of Singapore (MAS)	Singapore	This standard sets out requirements on economic capital models. We suggest for more clarity on the relationship between economic capital, internal model and regulatory capital (e.g. how the 3 of them interact). We have interpreted economic capital as one that covers all material risks, including risks which may not have been captured under regulatory capital (and does not necessarily need to be calculated using an internal model). Economic capital can also be calculated based on regulatory capital, but with some additional qualitative assessment of risks which can't be

		quantified. As different jurisdictions may have different requirements, we also suggest to change the word "requires" to "should encourage".
627. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
628. Institute of International Finance/Geneva Association	United States/Switzerland	Although economic capital models have merit and are frequently important risk management tools, they should not necessarily be required of all IAIGs, particularly when comparable models are required by the IAIG's regulatory solvency framework. In that circumstance, the benefits may not outweigh the costs of developing and maintaining a distinct model. We understand economic capital models to encompass a company's own view of risk and capital, but which are not approved by supervisors and do not directly lead to supervisory consequences.
629. National Association of Insurance Commissioners (NAIC)	USA, NAIC	As the NAIC has stated in the past, what is most important for group supervision is for supervisors to understand and agree upon the major risks faced by the IAIG and to know what the IAIG is doing to mitigate or address those risks. All insurers have their own unique characteristics, and the regulatory and supervisory approach should recognize this and provide the flexibility needed to adapt to each unique situation. The group-wide supervisor and supervisory college meeting participants should identify and agree upon the material risks of the group (including those that might come as a result of different risk appetites across different legal entities).
127 - Q127 Comment on ComFrame Guidance CF 16.2a.1		
630. International Actuarial Association	International	There should be some more cautionary wording around the need to take into account the uncertainties in the underlying data/calibrations and limitations of such models when using them e.g. to "drive or validate major management decisions".

631. Home Loan Guarantee Company NPC	Johannesburg	No Comment
128 - Q128 Comment on ComFrame Guidance CF 16.2a.2		
632. Home Loan Guarantee Company NPC	Johannesburg	No Comment
129 - Q129 Comment on ComFrame Guidance CF 16.2a.3		
633. Home Loan Guarantee Company NPC	Johannesburg	No Comment
130 - Q130 Comment on ComFrame Standard CF 16.2b		
634. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	We believe that an independent review of ERM framework every three years is onerous. We would suggest ever five years, if this is needed at all. We would also ask the IAIS to be clearer on permissibility of review on internal approaches (such as audit).
635. Insurance Europe	Europe	Insurance Europe believes that an independent review of ERM framework every three years is overly onerous and imposes another constraint on Groups in an area which is already well regulated – as such the cost may outweigh the benefits.
636. Global Federation of Insurance Associations	Global	The requirement to have an independent review of the IAIG ERM framework at least every three years goes beyond current regulatory requirements and imposes another constraint on Groups in an area which is already well regulated – as such the cost may outweigh the benefits.

637. Home Loan Guarantee Company NPC	Johannesburg	No Comment
638. American Council of Life Insurers	Office of General Counsel	The requirement for independent review of the ERM framework “at least once every three years” seems to restrict local supervisor flexibility and may be unduly onerous to the insurer. We would recommend a 5-year timeframe, retaining the “at least” language that allows a supervisor to require more frequent review where appropriate. Three years is too short of an interval for an independent review. Five years is more reasonable.
639. Monetary Authority of Singapore (MAS)	Singapore	Suggest to amend ‘supervisor’ to ‘group-wide supervisor’ for drafting consistency.
640. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria. Whilst we would agree that an ERM framework needs to be reviewed from time to time, we are not convinced that prescribing a fixed three-years window would be a good idea. The frequency of changes to the business and to circumstances that might affect the suitability of the ERM framework is something rather individual and may differ. For an insurance group operating a very traditional business in stable circumstances, reviewing the framework every five years might be sufficient, it might be advisable to review it more frequently in case of a rapidly expanding insurance group with changing risk profile in unstable times. Hence, mentioning a fixed three-year-threshold here might give a false sense of security to some insurance groups, whilst for others it might resemble a cost- and time-consuming ticking the box exercise. We would therefore prefer that the insurance group recommend themselves in the ERM framework a frequency for review which is adapted to the nature of the business and the circumstances.

641. Prudential Financial, Inc.	United States of America	We support the inclusion of guidance calling for an independent review however, we believe the standard is overly prescriptive with respect to the frequency of such a review. We believe the standard should be modified as follows “…. At least once every three to five years, in order to …..”.
642. Institute of International Finance/Geneva Association	United States/Switzerland	We support the concept of an independent review, but we urge IAIS to propose an interval of five years. Independent reviews lead to significant costs and effort incurred, and given that evolution of practices tends to evolve at a moderate pace, we consider five years to be a more appropriate interval. We would also ask the IAIS to be clearer on permissibility of review on internal approaches (such as audit).
643. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This requirement should be deleted; it is inconsistent with the purpose of ERM.
131 - Q131 Comment on ComFrame Guidance CF 16.2b.1		
644. Home Loan Guarantee Company NPC	Johannesburg	No Comment
645. American Council of Life Insurers	Office of General Counsel	ACLI supports allowing the review to be conducted by an independent internal body. It is important that IAIS retains this provision specifying that the ERM review may be carried out by an independent internal body. An external review may be merited occasionally, but generally creates significant costs for the insurer that may or may not generate added value.
646. Swiss Re	Switzerland	It is important that IAIS retains this provision specifying that the ERM review may be carried out by an independent internal body. An external review may be merited occasionally, but generally creates significant costs for the insurer that may or may not generate added value.

647. Institute of International Finance/Geneva Association	United States/Switzerland	It should be recognized that an external ERM review may create significant cost without generating added value. We suggest that the CF should allow for ERM review conducted by an Independent internal body.
136 - Q136 Comment on ComFrame Standard CF 16.2c		
660. Insurance Europe	Europe	Reverse stress testing is only relevant for the purpose of internal model validations and should therefore not be mandatory for IAIGs per se.
661. Home Loan Guarantee Company NPC	Johannesburg	No Comment
662. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
663. Prudential Financial, Inc.	United States of America	We believe the decision on what is “deemed relevant to the IAIG’s risk profile” should be based on the perspective of the insurance group. The standard should be modified as follows to clarify this point: "….. and scenario analysis the IAIG deems relevant for its risk profile".
137 - Q137 Comment on ComFrame Guidance CF 16.2c.1		
664. Home Loan Guarantee Company NPC	Johannesburg	No Comment
154 - Q154 Comment on ComFrame Standard CF 16.4a		

703. Insurance Europe	Europe	Insurance Europe believes this Standard does not add significant value to Standard ICP 16.4 and questions whether groups and IAIGs require different treatment here.
704. Global Federation of Insurance Associations	Global	GFIA believes this Standard does not add significant value to Standard ICP 16.4 and questions whether groups and IAIGs require different treatment here.
705. AIA Group	Hong Kong	It may not be appropriate to communicate the details of an IAIG's risk appetite externally as this may contain commercially sensitive and/or price sensitive information. Therefore, we suggest the deletion of the words "and externally".
706. Home Loan Guarantee Company NPC	Johannesburg	No Comment
707. American Council of Life Insurers	Office of General Counsel	We are concerned that there is no definition of what "external" parties the risk appetite should facilitate communication to. There is no industry-standard definition of the term "risk appetite." This term may encompass components that would be considered proprietary. Accordingly, we recommend deleting the "externally" reference. Other than the group and college of supervisors and rating agencies, IAIGs risk appetites are not usually communicated openly to external parties. At a minimum, this reference should be qualified as follows:"… within the IAIG and externally, as appropriate."
708. Monetary Authority of Singapore (MAS)	Singapore	The external communication of the IAIG's risk appetite would be covered under the public disclosure requirements (ICP 20). We would like to seek clarification on what other external communication of the risk appetite is expected in this CF standard.
709. Swiss Financial Market	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an

Supervisory Authority (FINMA)		internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
710. Swiss Re	Switzerland	The references to “investment policy” throughout ICP 16.6 should be plural (policies), as it is not unusual for the enterprise risk management process and framework to be documented through multiple risk-specific policies.
711. Prudential Financial, Inc.	United States of America	We disagree with the suggestion that information such as the risk appetite statement should be publicly disclosed given its proprietary nature. Further, clarification on the definition of “externally” is needed.
712. Institute of International Finance/Geneva Association	United States/Switzerland	This CF states that the IAIG is required to communicate its risk appetite externally. Other than the group and college of supervisors and rating agencies, IAIGs’ risk appetites are not usually communicated openly to external parties as they may contain proprietary and confidential information.
180 - Q180 Comment on ComFrame Standard CF 16.7a		
815. Insurance Europe	Europe	It is unclear how data quality for the purposes of underwriting, pricing, reserving, and reinsurance processes is specific for IAIGs and hence why it is introduced at this level.
816. Global Federation of Insurance Associations	Global	It is unclear how data quality, for the purposes of underwriting, pricing, reserving, and reinsurance processes is specific for IAIGs and hence why it is introduced at this level.
817. General Insurance Association of Japan	Japan	In the fields of underwriting, pricing and reinsurance, there would be cases where group entities operate according to their product features and risk characteristics, within the risk tolerance levels set by the Head of the IAIG. As such, this standard could impede the efficiency of group entities´ businesses. Therefore, we suggest revising it to allow for practices such as the above.

818. Home Loan Guarantee Company NPC	Johannesburg	No Comment
819. American Council of Life Insurers	Office of General Counsel	We suggest the ICP be modified as follows: The group or lead supervisor ensures the IAIG's ERM framework includes procedures and monitoring practices for the use of sufficient, reliable and relevant data for its underwriting pricing, reserving and reinsurance processes.
820. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
821. Prudential Financial, Inc.	United States of America	We believe it is appropriate for insurance groups to have processes and / or policies in place to manage various aspects of their businesses such as those noted in CF16.7a, however, the specificity around who or which area is to execute specific activities is not appropriate as it does not allow for differing organizational constructs. The focus of ComFrame should be on the outcomes to be obtained, not specifying the process with which or group responsible for obtaining them. In addition, we believe this section should be re-written as follows: "The group-wide supervisor requires the IAIG's ERM framework to include procedures and monitoring practices for the use of sufficient, reliable and relevant data for its underwriting pricing, reserving and reinsurance processes."
822. National Association of Insurance	USA, NAIC	It is up to the IAIG to implement its own ERM framework, in line with any requirements as established by the supervisor, and it is up to the supervisor to assess this implementation. Thus the emphasis of this standard of the supervisor requiring implementation seems off. Suggest revising to better clarify the intent of this standard.

Commissioners (NAIC)		
181 - Q181 Comment on ComFrame Guidance CF 16.7a.1		
823. Insurance Europe	Europe	It is not clear what the link is between the examples listed in this Guidance and Standard CF 16.7a and – even more so – Standard ICP 16.7 on underwriting risk management policies. The example of the elimination of intra-group transactions seems out of place here. It is not clear what the connection with ERM is.
824. Global Federation of Insurance Associations	Global	It is not clear what the link is between the examples listed in this Guidance and the Standard CF 16.7a and – even more so – Standard ICP 16.7 on underwriting risk management policies. The example of the elimination of intra-group transactions seems out of place here. It is not clear what the connection with ERM is.
825. General Insurance Association of Japan	Japan	Although this guidance is premised on more centralised control functions, in the fields of underwriting, pricing and reinsurance, there would be cases where group entities operate according to their product features and risk characteristics, within the risk tolerance levels set by the Head of the IAIG. As such, this guidance could impede the efficiency of group entities´ businesses. Therefore, we suggest revising it to clearly allow for more decentralised control functions.
826. Home Loan Guarantee Company NPC	Johannesburg	No Comment
827. American Council of Life Insurers	Office of General Counsel	Yes. Intra-group transactions are relevant to ERM and may not be easily identifiable in a consolidated financial statement. An aggregation and calibration approach would automatically disclose intra-group transactions. This added level of transparency that is essential for ultimate comparability of ratios in the A&C approach should be recognized

828. Swiss Re	Switzerland	This provision seems somewhat out of place. The elimination of intra-group transactions may or may not be relevant from and ERM perspective.
829. American Academy of Actuaries	United States of America	It is not the data that might be aggregated, but the risk measures. Therefore, we recommend CF 16.7a.1 be revised as follows: "The IAIG should clarify whether the risk evaluations are on a consolidated basis …."
830. Institute of International Finance/Geneva Association	United States/Switzerland	Intra-group transactions are relevant to ERM and may not be easily identifiable in a consolidated financial statement. An aggregation and calibration approach would automatically disclose intra-group transactions. This added level of transparency that is essential for ultimate comparability of ratios in the A&C approach should be recognized.
182 - Q182 Comment on ComFrame Standard CF 16.7b		
832. Insurance Europe	Europe	While Insurance Europe agrees that having a 'group-wide claims management policy' could be useful for an IAIG, it believes that it should be at the discretion of the group to decide whether it establishes such a group-wide claims management policy, and what the content of such a policy would be. Insurance Europe would further suggest that this Standard on claims management goes beyond covering enterprise risk management for solvency purposes. Claims management generally is more of a governance topic than purely relating to risk management (or IAIGs for that matter). Considering the overall intention of addressing overlaps with ICP 8 under this review, Insurance Europe would suggest that the Standard may be better placed in ICP 8 or elsewhere.
833. Global Federation of Insurance Associations	Global	While GFIA agrees that having a "group-wide claims management policy" could be useful for an IAIG, it believes that it should be at the discretion of the group to decide whether it establishes such a group-wide claims management policy, and what the content of such a policy would be. GFIA would further suggest that this Standard on claims management goes beyond covering enterprise risk management for solvency purposes. Claims management generally is more of a governance topic than purely relating to risk management (or IAIGs for that matter). Considering

		the overall intention of addressing overlaps with ICP 8 under this review, the Standard may be better placed in ICP 8 or elsewhere
834. International Actuarial Association	International	ICP 16 seems to want a global claim management policy (with apparently global claim procedures). In our view this is unwise if not contrary to local law for property/casualty. Products vary by jurisdiction, cultural expectations differ by jurisdiction, and statutes pertaining to lawful claim handling vary by jurisdiction. Hence while global claim management principles make sense, having everything set by a global unit is probably not sensible.
835. General Insurance Association of Japan	Japan	Although this standard is premised on centralised control functions, claims management policies vary significantly depending on jurisdictional legislation and practices, or business lines. In addition, criteria for damage assessment and claims processing need to be consistent with jurisdictional legal systems as well as the nature of each entity's products. Therefore, in order to ensure greater effectiveness, it is favorable for each group entity to have its own claims management policies that correspond to such specific conditions. We suggest revising this standard to clearly allow for more decentralised control functions such as the above.
836. Home Loan Guarantee Company NPC	Johannesburg	No Comment
837. American Council of Life Insurers	Office of General Counsel	This seems to relate to non-life more than life insurance. For most life insurance lines, claims management is not a significant concern. Therefore, the applicability, if any, to life insurance should be clarified. Moreover, claims management is typically a local concern, so a group-wide policy is unlikely to be meaningful. Additionally, some insurers address the requirements in CF 16.7b by developing claims management process documentation and/or guidelines, which may exist separately from the risk management policies that formally comprise the ERM framework. This set-up is equally effective and achieves the desired outcome of CF 16.7b and should be recognized by CF 16.7b. We suggest modifying CF 16.7b by clarifying that the claims management framework "can be part or complementary to the ERM framework" and that local claims management policies.

838. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
839. Swiss Re	Switzerland	Many insurers address the requirements outlined here by developing a claims management process documentation and/or guidelines, which may exist separately from the risk management policies that formally comprise the ERM framework. This setup is equally as effective. We encourage the IAIS to specify that: "The group-wide supervisor requires the Head of the IAIG to maintain a group-wide claims management framework, as part of or complementary to the ERM framework, that establishes procedures on…"
840. American Academy of Actuaries	United States of America	We believe that a group-wide claims management policy must allow the flexibility to reflect the fact that various factors, including products offered, claims environments and legal requirements regarding claims, vary by legal entity and jurisdiction. While a group-wide policy may require that local entities have procedures that cover such items, having the same procedures for all entities within a group may produce approaches or results that are ill-fitted to local environments. In addition, aggregating claims data across different currencies, products, and legal environments may produce data of little value for purposes of analyses. We recommend that the requirement be reworded to specify that a group-wide policy should require local entities to establish procedures to address such items, but not require that group-wide procedures exist.
841. Prudential Financial, Inc.	United States of America	We believe it is appropriate for insurance groups to have processes and / or policies in place to manage various aspects of their businesses such as those noted in CF16.7b, however, the specificity around who or which area is to execute specific activities is not appropriate as it does not allow for differing organizational constructs. The focus of ComFrame should be on the

		outcomes to be obtained, not specifying the process with which or group responsible for obtaining them. The same goes for the level of prescriptiveness and granularity of the guidance which, in its current form, is excessive. For example, we do not believe the reference to “the Head of the IAIG” is appropriate. Instead, the standard should be written as follows, “The group-wide supervisor requires the IAIG to ….”.
842. Institute of International Finance/Geneva Association	United States/Switzerland	This seems to relate to non-life more than life insurance. For most life insurance lines, claims management is not a significant concern. Therefore, the applicability, if any, to life insurance should be clarified. Moreover, claims management is typically a local concern, so a group-wide policy is unlikely to be meaningful. In addition, claims management exists separately from risk management policies for many insurers. As we believe this setup is equally effective, we would like the IAIS to specify that: "The group-wide or lead supervisor ensures the Head of the IAIG to maintain a group-wide claims management framework, as part of or complementary to the ERM framework, that establishes procedures on…" In our opinion “a prospective analysis of the financial situation of the IAIG which goes beyond the current balance sheet of the IAIG“ requires input from various functions so it may be conducted by a non-actuarial function. We therefore think requiring this analysis to be carried out by the actuarial function is overly prescriptive.
843. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This standard should be deleted as it is far too prescriptive for the purpose of ERM.
183 - Q183 Comment on ComFrame Guidance CF 16.7b.1		

844. Insurance Europe	Europe	Please refer to the response to ComFrame Standard CF 16.7b
845. Global Federation of Insurance Associations	Global	Please refer to the response to ComFrame Standard CF 16.7b
846. General Insurance Association of Japan	Japan	As for claims management, although it is necessary to have strict management systems at the entity level, it is redundant to require establishment of the escalation procedure at the group level. Therefore, we suggest deleting this guidance.
847. Home Loan Guarantee Company NPC	Johannesburg	No Comment
184 - Q184 Comment on ComFrame Standard CF 16.7c		
848. Insurance Europe	Europe	While Insurance Europe agrees that an IAIG should be required to establish a 'group-wide reinsurance and risk transfer strategy' the level of detail on the content of such a policy in Standard CF 16.7c is too granular and should be left to the IAIG's discretion. Furthermore, reinsurance and other risk-mitigating techniques are not an IAIG-specific business area. The topic is broadly covered by ICP 13 (reinsurance and other forms of risk-mitigating techniques). While Insurance Europe is aware that the IAIS has decided ICP 13 to be non-contagious with ComFrame and has therefore opted for an early adoption of this ICP, the content of this Standard should really form part of ICP 13 and likely not only at IAIG level.
849. Global Federation of Insurance Associations	Global	While GFIA agrees that an IAIG should be required to establish a "group-wide reinsurance and risk transfer strategy", the level of detail on the content of such policy in Standard CF 16.7c is too granular and should be left to the IAIG's discretion. Furthermore, reinsurance and other risk-mitigating techniques are not an IAIG-specific business area. The topic is broadly covered by ICP 13 (reinsurance and other forms of risk-mitigating

		techniques). While GFIA is aware that the IAIS has decided ICP 13 to be non-contagious with ComFrame and has therefore opted for an early adoption of this ICP, the content of this Standard should really form part of ICP 13 and likely not only at IAIG level.
850. General Insurance Association of Japan	Japan	Although this standard is premised on more centralised control functions, group-wide reinsurance strategies and risk transfer strategies vary depending on their governance systems, group entities, etc. In the fields of underwriting, pricing and reinsurance, there would be decentralised approaches under which each group entity operates depending on its product features and risk characteristics, within the risk tolerance levels set by the Head of the IAIG. In these cases, this standard could impede the efficiency of group entities´ businesses. Therefore, we suggest revising this standard to clearly allow for more decentralised control functions such as the above.
851. Home Loan Guarantee Company NPC	Johannesburg	No Comment
852. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
853. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This standard should be deleted as it is far too prescriptive for the purpose of ERM.
185 - Q185 Comment on ComFrame Standard CF 16.7d		

854. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	It should be sufficient to have the requirement elsewhere (which the IAIS does) for independent validation of the internal model and for senior reporting of outcomes of that.
855. Insurance Europe	Europe	Insurance Europe believes a specific “group-wide actuarial policy” is not necessary, as an appropriate actuarial practice should form an integral part of an effective risk management system and would be reflected throughout a company’s ERM system/ORSA/ALM/Investment policy, and the format in which it is documented should not be mandated. It should be sufficient to have the requirement elsewhere (which the IAIS does) for independent validation of the internal model and for senior reporting of outcomes of that.
856. Global Federation of Insurance Associations	Global	GFIA believes a specific “group-wide actuarial policy” is not necessary, as an appropriate actuarial practice should form an integral part of an effective risk management system and would be reflected throughout a company’s ERM system/ORSA/ALM/Investment policy, and the format in which it is documented should not be mandated. It should be sufficient to have the requirement elsewhere (which the IAIS does) for independent validation of the internal model and for senior reporting of outcomes of that.
857. AIA Group	Hong Kong	Other departments may be involved in these processes. As such, we suggest that this ICP read as follows: “The group-wide supervisor requires the Head of the IAIG to establish and maintain a group-wide policy, as part of the ERM framework….”
858. International Actuarial Association	International	The actuarial policy here mainly focuses on technical provisions. We believe there could be more on the need to get consistency between the base assumptions and those under stressed conditions to get coherence with any risk-based capital requirements/economic capital, as well as the forward-looking view in the ORSA.
859. Dai-ichi Life Holdings,Inc.	Japan	On a second bullet, “the process to calculate reinsurance recoverable assets taking into account the design of the reinsurance programme under the reinsurance strategy of the IAIG “ is duplicated with a first bullet and it should be deleted.

860. General Insurance Association of Japan	Japan	Although this standard is premised on more centralised control functions and ERM policies set by such functions, it is common in Japan for an insurer´s actuarial function to be fulfilled collectively by several divisions. As this decentralised approach does not entail problems, we suggest revising this standard to clearly allow for practices such as the above. In addition, some risk models are not always based on actuarial decisions. Risk models should not be addressed partly in an actuarial policy, but in the overall ERM framework. Therefore, we suggest deleting the last bullet point, or where necessary, moving it to ICP 17.
861. Home Loan Guarantee Company NPC	Johannesburg	No Comment
862. American Council of Life Insurers	Office of General Counsel	Consistent with our general comment, the ICP should describe the outcomes that are to be achieved rather than prescribing that these outcomes must occur within the Actuarial function. A number of the outcomes noted require multi-discipline participation from across the organization.
863. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
864. Swiss Re	Switzerland	A number of the outcomes noted require multi-discipline participation from across the organization, not only the Actuarial Function. A specific “group-wide actuarial policy” is not always necessary, as an appropriate actuarial practice should form an integral part of an effective risk management system and would be reflected throughout a company’s Risk Management/ALM/Investment policy, and the format in which it is documented should not be mandated.
865. Institute and Faculty of Actuaries	UK	The role of the actuarial function and the need to implement a group-wide actuarial policy should be the subject of a separate section in this document, instead of being incorporated into the underwriting risk section.

866. American Academy of Actuaries	United States of America	As noted in our general comments, the ICP should follow a principle-based approach, and allow entities the flexibility to organize and carry out the roles and responsibilities of their risk management activities based on their own unique characteristics. In addition, CF 16.7d and CF 16.7e combine multiple functions that involve multiple areas of expertise. Therefore, we believe that these sections should be more permissive rather than prescriptive and explicitly permit reliance on the work of actuarial functions within the group's individual legal entities, business lines etc.
867. Prudential Financial, Inc.	United States of America	We believe it is appropriate for insurance groups to have processes and / or policies in place to manage various aspects of their businesses such as those noted in CF16.7d, however, the specificity around who or which area is to execute specific activities is not appropriate as it does not allow for differing organizational constructs. The focus of ComFrame should be on the outcomes to be obtained, not specifying the process with which or group responsible for obtaining them. The same goes for the level of prescriptiveness and granularity of the guidance which, in its current form, is excessive. For example, we do not believe the reference to "the Head of the IAIG" is appropriate. Instead, the standard should be written as follows, "The group-wide supervisor requires the IAIG to ….".
868. Institute of International Finance/Geneva Association	United States/Switzerland	It should be sufficient to have the requirement elsewhere (which the IAIS does) for independent validation of the internal model and for senior reporting of outcomes of that. A number of the outcomes noted require multi-discipline participation from across the organization, not only the Actuarial Function.
869. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This standard should be deleted as it is far too prescriptive for the purpose of ERM.

186 - Q186 Comment on ComFrame Guidance CF 16.7d.1		
870. Insurance Europe	Europe	Please refer to the response to ComFrame Standard CF 16.7d. Furthermore, the actuarial policy should be limited to actuarial processes and should not be elaborated towards other process such as accounting. Of course, interaction among the various professions and functions within the insurer should be stimulated. Furthermore, Insurance Europe would suggest that the 4th bullet point is not necessary. Assumption-setting is inherently a local matter, as expertise is found at the local level. The merits of a group-level framework and process are not entirely clear.
871. Global Federation of Insurance Associations	Global	The actuarial policy should be limited to actuarial processes and should not be elaborated towards other process such as accounting. Of course, interaction among the various professions and functions within the insurer should be stimulated. Furthermore, GFIA would suggest that the 4th bullet point is not necessary. Assumption-setting is inherently a local matter, as expertise is found at the local level. The merits of a group-level framework and process are not entirely clear. Please refer to the response to ComFrame Standard CF 16.7d
872. General Insurance Association of Japan	Japan	Materiality thresholds to trigger management interaction should be established in accordance with jurisdictional laws and regulations as well as the size of each group subsidiary. Moreover, it is difficult to set group-wide criteria which are uniform and fixed. Regarding model usage, it is common in Japan for an insurer´s actuarial function to be fulfilled collectively by several divisions. As this practice does not entail problems, we suggest revising the guidance to clearly allow for practices such as the above. Furthermore, as the frequency of monitoring actuarial activities should be determined according to the structure of entities, we suggest deleting “quarterly” in the last bullet point. We also suggest deleting the fifth bullet point, as we commented on CF 16.7d.
873. Home Loan Guarantee Company NPC	Johannesburg	No Comment

874. American Council of Life Insurers	Office of General Counsel	We think that for many insurers, assumption-setting is inherently a local matter, as expertise is found at the local level. The merits of a group-level framework and process are unclear for insurers with such a set up. We suggest deleting or modifying this point.
875. Monetary Authority of Singapore (MAS)	Singapore	For the second bullet point, we suggest to replace “management interaction” with “management actions”.
876. Institute of International Finance/Geneva Association	United States/Switzerland	For some insurance groups, assumption-setting is inherently a local matter, as expertise is found at the local level. The merit of a group-wide framework as the prescribed solution for all insurance groups is not clear. We suggest modifying this point accordingly to reflect a diversity of approaches.
187 - Q187 Comment on ComFrame Guidance CF 16.7d.2		
877. Insurance Europe	Europe	Please refer to the response to ComFrame Standard CF 16.7d
878. Global Federation of Insurance Associations	Global	Please refer to the response to ComFrame Standard CF 16.7d
879. Home Loan Guarantee Company NPC	Johannesburg	No Comment
880. American Council of Life Insurers	Office of General Counsel	In CF 16.7d.2 we should add “actuarial” in the first sentence as follows – “The group-wide actuarial policy should contain practice standards to raise awareness of any actuarial matter that has,”
881. Institute of International	United States/Switzerland	We should add “actuarial” in the first sentence as follows – “The group-wide actuarial policy should contain practice standards to raise awareness of any actuarial matter that has”.

Finance/Geneva Association		
188 - Q188 Comment on ComFrame Guidance CF 16.7d.3		
883. Insurance Europe	Europe	Please refer to the response to ComFrame Standard CF 16.7d
884. Global Federation of Insurance Associations	Global	Please refer to the response to ComFrame Standard CF 16.7d
885. Home Loan Guarantee Company NPC	Johannesburg	No Comment
886. American Council of Life Insurers	Office of General Counsel	In CF 16.7d.3 we recommend adjusting the second sentence as follows – "The IAIG's group-wide actuarial policy should focus on group-wide reporting requirements both for internal management purposes and for reporting and disclosure purposes, but as applicable, the group-wide policy requirements will be replaced by jurisdictional requirements."
887. Institute of International Finance/Geneva Association	United States/Switzerland	We recommend adjusting the second sentence as follows – "The IAIG's group-wide actuarial policy should focus on group-wide reporting requirements both for internal management purposes and for reporting and disclosure purposes, but as applicable, the group-wide policy requirements will be replaced by jurisdictional requirements."
189 - Q189 Comment on ComFrame Standard CF 16.7e		
889. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	There is a clear overlap with the proposed annual group-wide actuarial opinion and information that is already covered by the IAIG's ORSA. Further clarification is needed to avoid duplication. Additionally, the requirement to address pricing adequacy down to the legal entity level is onerous and pricing adequacy at the group level should be sufficient.

890. Insurance Europe	Europe	While Insurance Europe generally supports the yearly issuance of a report by the group-wide actuarial function, there is a clear overlap with Standard CF 8.6a by which the IAIG actuarial function is required to provide an overview of its activities, including information on the IAIG's solvency positions and risk modelling in the IAIG's ORSA. Indeed, the prospective analysis of the IAIG financial situation is already included in the ORSA, so it seems repetitive to also require a similar analysis in the actuarial function opinion. It should be clarified how these two requirements interact and overlaps and inefficiencies should be avoided. There is a clear overlap with the proposed annual group-wide actuarial opinion and information that is already covered by the IAIG's ORSA. Further clarification is needed to avoid duplication. Additionally, the requirement to address pricing adequacy down to the legal entity level is onerous and pricing adequacy at the group level should be sufficient. The bullet points listing the minimum content of the "annual group-wide actuarial opinion" go beyond the responsibilities generally expected of the actuarial function. Notably, the actuary's role is not to work on non-insurance entities and non-regulated entities. Insurance Europe would propose that the IAIS reconsiders bullet points 1 and 4.
891. Global Federation of Insurance Associations	Global	While GFIA generally supports the yearly issuance of a report by the group-wide actuarial function, there is a clear overlap with Standard CF 8.6a by which the IAIG actuarial function is required to provide an overview of its activities, including information on the IAIG's solvency positions and risk modelling in the IAIG's ORSA. Indeed, the prospective analysis of the IAIG financial situation is already included in the ORSA, so it seems to be potentially repetitive to also require a similar analysis in the actuarial function opinion. This seems to go beyond the current regulatory requirements in certain territories. It should be clarified how these two requirements interact and overlaps and inefficiencies should be avoided.
892. AIA Group	Hong Kong	While we understand the rationale for a report to be made to the IAIG Board, we do not agree that this analysis is solely within the domain of the actuarial function and as such, suggest this ICP to be reworded such that it is clear that the responsibility for compliance with this ICP is not solely the responsibility of the actuarial function.

893. Dai-ichi Life Holdings,Inc.	Japan	CF16.7e would be prescribed on the premise that actuarial function independently submits the documents to the Board of Directors. However, actuarial function is not necessary to cover for all of the required documents. For example, when the contents of the document reported from appropriate function other than actuarial function such as risk management function etc., it is sufficient for group actuarial function to report the rest of them.
894. General Insurance Association of Japan	Japan	This standard is premised on cases where an independent division assumes an actuarial function and is required to directly report to the IAIG Board. However, it is common in Japan for an insurer´s actuarial function to be fulfilled collectively by several divisions, and this practice does not entail problems. Therefore, we suggest revising this standard to clearly allow for practices such as the above. In addition, the words "sufficiency" and "adequacy" in this standard indicate an over-emphasis on the degree of certainty in terms of what the group-wide actuarial function will be required. As it is deemed usual for such a function to confirm the "reasonability" of the listed matters, we suggest revising "sufficiency" and "adequacy" to "reasonability".
895. The Life Insurance Association of Japan	Japan	The group-wide actuarial function is required to issue a group-wide actuarial opinion that covers “consideration of non-insurance entities and non-regulated entities”, as prescribed in the last bullet point of this paragraph. Given that the group-wide actuarial policy which composes the underwriting policy according to the structure of the ICPs, the contents of actuarial function set out in ICP 8 such as evaluating and providing advice and the specialised area of actuary, this point may go beyond the scope of actuarial policy specified in this paragraph. Therefore, the LIAJ suggests that the last bullet point be deleted or specified by adding “related to actuarial function” to the end of the sentence.
896. Home Loan Guarantee Company NPC	Johannesburg	No Comment
897. American Council of Life Insurers	Office of General Counsel	Consistent with our general comment, the ICP should describe the outcomes that are to be achieved rather than prescribing that these outcomes must occur within the Actuarial function. A number of the outcomes noted require multi-discipline participation from across the organization.

		In CF 16.7e we recommend removing the first and fourth bullet. We agree that a prospective analysis of the financial situation of the IAIG should be performed and that non-insurance and non-regulated entities should be considered but this is not purely an actuarial function. This responsibility should lie within the overall organizations ERM framework and responsibility should be determined by each individual IAIG. A “prospective analysis of the financial situation of the IAIG” should not necessarily be part of the actuarial function, as it is typically a part of the ORSA process. Also, the actuarial function should not be charged with reviewing non-insurance or non-regulated entities.
898. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
899. Swiss Re	Switzerland	"A prospective analysis of the financial situation of the IAIG which goes beyond the current balance sheet of the IAIG" is indeed a very reasonable component of enterprise risk management. However, such an analysis requires the input of various functions, including the finance function. Often, it is the Finance function that carries out this requirement. Requiring that this be carried out by the actuarial function is in our view excessively prescriptive.
900. American Academy of Actuaries	United States of America	As noted in our general comments, the ICP should follow a principle-based approach, and allow entities the flexibility to organize and carry out the roles and responsibilities of their risk management activities based on their own unique characteristics. In addition, CF 16.7d and CF 16.7e combine multiple functions that involve multiple areas of expertise. Therefore, we believe that these sections should be more permissive rather than prescriptive and explicitly permit reliance on the work of actuarial functions within the group’s individual legal entities, business lines etc.

901. Institute of International Finance/Geneva Association	United States/Switzerland	As mentioned above, a "prospective analysis of the financial situation of the IAIG" should not necessarily be part of the actuarial function, as it is typically a part of the ORSA process. Also, the actuarial function should not be charged with reviewing non-insurance or non-regulated entities. Additionally, the requirement to address pricing adequacy down to the legal entity level is onerous and pricing adequacy at the group level should be sufficient.
903. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This standard should be deleted as it is far too prescriptive for the purpose of ERM.
190 - Q190 Comment on ComFrame Guidance CF 16.7e.1		
904. Insurance Europe	Europe	Not all regulatory frameworks assign claims and investment management to the actuarial function and Insurance Europe believes that actuarial expertise may not be critical to cover these areas. There should be sufficient leeway in the IAIS Guidance to allow the IAIG to assign these core responsibilities among its key functions freely.
905. Global Federation of Insurance Associations	Global	Not all regulatory frameworks assign claims and investment management to the actuarial function and GFIA believes that actuarial expertise may not always be critical to cover these areas. There should be sufficient leeway in the IAIS Guidance to allow the IAIG to assign these core responsibilities among its key functions freely.
906. AIA Group	Hong Kong	Please see our comment above in CF 16.7e.
907. International Actuarial Association	International	The Actuarial Function as stated is too broad and prescriptive as to a centralization approach. ICP 16 defines the actuarial function as including analysis of investment risk, claims management, modeling, forecasting future solvency, etc. For a non-life company, the investment analysis is usually performed by the investment area or ERM area, not the actuarial function (which is focused on reserving or pricing). The actuarial function for large firms is usually split between reserving and pricing. There is also usually a catastrophe risk area that is separate from the reserving and pricing areas. Hence the ICP should allow for more flexibility on where a risk is reviewed/controlled

		rather than requiring a very centralized approach. It must be noted that the scope of the Actuarial Function as described here is broader than what is foreseen under the Solvency II framework.
908. General Insurance Association of Japan	Japan	This guidance is premised on cases where an independent division assumes an actuarial function and is required to report directly to the IAIG Board. It is common in Japan for an insurer´s actuarial function to be fulfilled collectively by several divisions, and this practice does not entail problems. Therefore, we suggest revising this guidance to clearly allow for practices such as the above.
909. Home Loan Guarantee Company NPC	Johannesburg	No Comment
910. American Council of Life Insurers	Office of General Counsel	We recommend removing CF 16.7e.1. The group-wide actuarial function would provide information for use in the analysis described by this section but it is not purely an actuarial function and the responsibility for performing the analysis should be determined by each individual IAIG. The actuarial function should not be responsible for prospective analyses, which are typically part of the ORSA process. We also believe that group-wide underwriting and claims management do not have significant merits for life insurance companies.
911. Swiss Re	Switzerland	The actuarial function should not be responsible for prospective analyses, which are typically part of the ORSA process. In addition, not all regulatory frameworks and insurers assign claims and investment management to the actuarial function. Internationally there are differing definitions of what constitutes "actuarial expertise". There should be sufficient leeway in the IAIS Guidance to allow the IAIG to assign these core responsibilities among its key functions more freely.
912. Institute of International Finance/Geneva Association	United States/Switzerland	The actuarial function should not be responsible for prospective analyses, which are typically part of the ORSA process. We also believe that group-wide underwriting and claims management do not have significant merits for life insurance companies. We therefore recommend removing CF 16.7e.1.
191 - Q191 Comment on ComFrame Guidance CF 16.7e.2		

914. Insurance Europe	Europe	Insurance Europe suggests deleting the last bullet point as consideration of non-insurance entities is not generally in the scope of an actuary's responsibilities (please also refer to comments provided in response to CF 16.7e). An overlap with other ICPs is evident in this Guidance and should be clarified by the IAIS, eg regarding asset/liability management under the group-wide investment policy (ICP 15) and in general with ICP 8 (see above).
915. Global Federation of Insurance Associations	Global	GFIA would like to note that the group in this paragraph may include non-insurance entities and non-regulated entities, which goes beyond the scope of actuarial policy. Therefore, the last bullet point in CF 16.7e should be deleted or specified by adding "related to actuarial function".
916. AIA Group	Hong Kong	Please see our comment above in CF 16.7e. Moreover, our view is that this list of requirements is prescriptive and should be set out more generally.
917. General Insurance Association of Japan	Japan	The words "adequacy" in this guidance indicates an over-emphasis on the degree of certainty in terms of what the group-wide actuarial function will be required. As it is deemed usual for such a function to confirm the "reasonability" of the listed matters, we suggest revising "adequacy" to "reasonability".
918. The Life Insurance Association of Japan	Japan	The group-wide actuarial function is required to issue group-wide actuarial opinion that covers "consideration of non-insurance entities and non-regulated entities", prescribed in the last bullet point of paragraph CF16.7e. Accordingly, it may be interpreted as the "group" in this paragraph also include non-insurance entities and non-regulated entities. Given that the group-wide actuarial policy which composes the underwriting policy according to the structure of the ICPs, the contents of actuarial function set out in ICP 8 such as evaluating and providing advice and the specialised area of actuary, this point may go beyond the scope of actuarial policy specified in this paragraph. Therefore, the LIAJ suggests that the last bullet point in CF16.7e be deleted or specified by adding "related to actuarial function" to the end of the sentence.

919. Home Loan Guarantee Company NPC	Johannesburg	No Comment
920. American Council of Life Insurers	Office of General Counsel	In CF 16.7e.2 we recommend modifying the last bullet as follows – “the extent to which any data, values, and analyses used within the actuarial opinion, report, advice or review to the IAIG Board are being relied upon by the actuary.”
921. Institute of International Finance/Geneva Association	United States/Switzerland	We recommend modifying the last bullet as follows – “the extent to which any data, values, and analyses used within the actuarial opinion, report, advice or review to the IAIG Board are being relied upon by the actuary.”
205 - Q205 Comment on ComFrame Standard CF 16.10a		
970. Insurance Europe	Europe	Insurance Europe believes it should be at the discretion of the IAIG to assess the appropriate approach (ie quantitative and/or qualitative) to perform each element of the ORSA. It is not clear what content would be expected for: - restrictions on capital movement - the transferability of assets between jurisdictions and the fungibility of capital Insurance Europe would appreciate if this could be clarified.
971. Global Federation of Insurance Associations	Global	GFIA believes it should be at the discretion of the IAIG to assess the appropriate approach (i.e. quantitative and/or qualitative) to perform each element of the ORSA. It is not clear what content of the ORSA would be expected for: Restrictions on capital movement; the transferability of assets between jurisdictions and the fungibility of capital. GFIA would appreciate if this could be clarified.
972. AIA Group	Hong Kong	Please see our comment on ICP 16.10.

973. Home Loan Guarantee Company NPC	Johannesburg	No Comment
974. American Council of Life Insurers	Office of General Counsel	We believe “Head of” should be deleted. The proportionality principle should be adopted when performing the group-wide ORSA (and solo entity ORSAs). This allows the IAIG to develop an ORSA process that is fit for purpose and takes into account the nature, scale and complexity of the business. This provides the opportunity for the IAIG to focus on its material and complex risks and legal entities within the group, and the flexibility to adopt simpler approaches for less material and risky businesses.
975. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
976. Prudential Financial, Inc.	United States of America	We do not believe the reference to “the Head of the IAIG” is appropriate. The standard should be rewritten as follows, “The group-wide supervisor requires the IAIG to ….”.
977. Institute of International Finance/Geneva Association	United States/Switzerland	The proportionality principle should be applied when performing the group-wide ORSA (and solo entity ORSAs). This allows the IAIG to develop an ORSA process that is fit for purpose and takes into account the nature, scale and complexity of the business. This provides the opportunity for the IAIG to focus on its material and complex risks and legal entities within the group, and the flexibility to adopt simpler approaches for less material and risky businesses.
979. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Although we agree the group-wide supervisor should have information on the structure of the group, its governance, restrictions on capital movements, we question the requirement on transferability of assets between jurisdictions – as we all know, capital is not completely fungible, therefore we suggest this bullet focus on understanding regulatory restrictions on capital movements, which is what is important.

206 - Q206 Comment on ComFrame Guidance CF 16.10a.1		
980. ABIR Association of Bermuda Insurers & Reinsurers	BERMUDA	The concept of "political risk" has been introduced without a definition. For the avoidance of doubt, the IAIS should provide a clear definition of what "political risk" means in this context.
981. Insurance Europe	Europe	Insurance Europe believes it should be at the discretion of the IAIG to decide on the appropriate risks -beyond the minimum prescribed risks - to include in the ORSA. The concept of "political risk" has been introduced without a definition. For the avoidance of doubt, the IAIS should provide a clear definition of what "political risk" means in this context. However, it is unclear why political and reputational risks are IAIG-specific.
982. Global Federation of Insurance Associations	Global	GFIA believes it should be at the discretion of the IAIG to decide on the appropriate risks - beyond the minimum prescribed risks - to include in the ORSA. It is unclear why political and reputational risks are IAIG-specific. The concept of "political risk" has been introduced without a definition. For the avoidance of doubt, the IAIS should provide a clear definition of what "political risk" means in this context.
983. AIA Group	Hong Kong	Our view is that IAIGs should consider all material risks arising from insurance legal entities and other entities and as such, we suggest the first sentence of this ICP read as follows: "In conducting its group-wide ORSA, the IAIG should consider all material risks arising from insurance legal entities and other entities, including non-regulated ones."
984. Home Loan Guarantee Company NPC	Johannesburg	No Comment
985. Institute of International	United States/Switzerland	The concept of "political risk" has been introduced without a definition. For the avoidance of doubt, the IAIS should provide a clear definition of what "political risk" means in this context.

Finance/Geneva Association		
231 - Q231 Comment on ComFrame Standard CF 16.12a		
1069. International Actuarial Association	International	In some jurisdictions (E.g. in the UK), another risk considered for proprietary groups in addition to those in CF16.12a is the risk posed by the desire to maintain its published dividend policy, particularly if it is "progressive".
1070. Home Loan Guarantee Company NPC	Johannesburg	No Comment
1071. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	It does not get clear what the additional requirement / aspect should be under ComFrame compared to proportionate application of ICPs, nor what the justification for such a different treatment would be. FINMA questions the approach to introduce different or additional requirements to insurance groups that happen to differ from their competitors only due to an internationally active criteria (in 3 or more countries vs. 2 countries or pure domestic players), or due to an artificial size criteria.
1072. National Association of Insurance Commissioners (NAIC)	USA, NAIC	It is not clear what this standard adds beyond what is already covered by ICP Standard 16.12, which addresses the insurer considering strategy as part of the ORSA process. As drafted this seems to be just a general expectation for what an insurer uses the ORSA for; suggest either better clarifying the intent of this standard or deleting.
232 - Q232 Comment on ComFrame Guidance CF 16.12a.1		
1073. Insurance Europe	Europe	Insurance Europe believes the scope of the risks should be decided by the IAIG.
1074. Global Federation of	Global	GFIA believes the scope of the risks should be decided by the IAIG.

Insurance Associations		
1075. Home Loan Guarantee Company NPC	Johannesburg	No Comment
1076. American Academy of Actuaries	United States of America	We suggest clarifying this paragraph by revising the above phrasing to read as follow: “Examples of these risks may include, but not be limited to: • the ability of the IAIG and entities to handle significant or unusual growth or shifts in business volume that is part of the IAIG’s business strategy…” The paragraph as written requires an ORSA to evaluate these risks, even when they are not part of a group’s business strategy, which is not appropriate. We also suggest that testing a strategy for unexpected growth and change in the mix of business should be considered/exercised as a best practice, but not necessarily as a prescriptive requirement in the ICP.

Additional questions related to ICP 16 and ComFrame material integrated into ICP 16

November 2017 – January 2018

Organisation	Jurisdiction	Answer	Answer Comments
260 - Q260 Actuarial policy – In addition to existing ICP material, should ICP material on actuarial policy for the purpose of ERM for solvency purposes be developed?			
1158. Canadian Institute of Actuaries	Canada	No	The CIA would require more information regarding context and scope before expressing any support.
1159. Insurance Europe	Europe	No	
1160. Global Federation of Insurance Associations	Global	No	
1161. AIA Group	Hong Kong	No	Requiring greater specificity on actuarial policy would be too prescriptive a measure. The ICPs should recognise that not all insurers are the same and requirements would depend on the nature, scale and complexity of the insurer.
1162. International Insurance Foundation	International	Yes	
1163. General Insurance Association of Japan	Japan	Yes	Although the ICP material is premised on more centralised control functions, more decentralised control functions should also be permitted. It is common in Japan for an insurer´s actuarial function to be fulfilled collectively by several divisions. As we have found this to be not at all problematic, such practices should clearly be given due consideration.

1164. The Life Insurance Association of Japan	Japan	No	As for the actuarial policy, it is currently required to be established as a group-wide risk management policy to assess the appropriateness of calculation, as well as the model risk management of internal models for solvency purposes. Besides, given that the practice standards of actuary comprising the group-wide actuarial policy, the LIAJ believes that the group-wide actuarial policy is sufficiently developed already and concerns that the policy would not be able to address various types of products if more granular level of actuarial policy is developed. Also, the LIAJ believes that existing ICP materials on actuarial function and actuarial policy should be reviewed, as they include some issues not necessarily relevant to actuarial matters, including an analysis of future financial condition of the IAIG as a whole and consideration of non-insurance entities and non-regulated entities.
1165. Home Loan Guarantee Company NPC	Johannesburg	No	
1166. American Council of Life Insurers	Office of General Counsel	No	No. Additional material on actuarial policy for ERM and solvency purposes would be overly prescriptive. In particular with regards to ERM and solvency, this could lead to requirements for the actuarial functions that are best carried by other functions, like finance. For example, 16.7e requires the actuarial function to carry out a “prospective analysis of the financial situation oof the IAIG which goes beyond the current balance sheet of the IAIG.” This task is not necessarily best placed with the actuarial function – the department that is best placed to perform the function depends on the situation of the individual insurer.
1167. Monetary Authority of Singapore (MAS)	Singapore	No	We agree that it is useful to have ICP material on actuarial policy in general, but we think that such material should reside in CF/ICP 8 instead of ICP 16/CF 16. Our reasons are as follow: (a) The current ICPs, including the proposed revised ICP 16, provide guidance for the actuarial function primarily under ICP 8 and not ICP 16. (Although ICPs 14 and 17 also relate to actuarial expertise, in practice those ICPs give very cursory mention to the actuarial function.) (b) It is also odd that CF 16 includes a section on group-wide actuarial policy as part of ERM, while ICP 16 does not. It might raise the question of why there is extensive mention of actuarial policy as part of ERM under CF

			16 but not in ICP 16. It therefore seems more intuitive for the CF section on group-wide actuarial policy (CF 16.7d and 16.7e) to be parked under CF/ICP 8 instead, especially since such a policy would also benefit other actuarial functions e.g. ICPs 14 and 17. This would present greater alignment between the organisation of corresponding CF and ICP standards. At the same time it could nonetheless be worthwhile to retain a reference to group-wide actuarial policy under CF 16, as this would naturally feed into ERM just as risk management and internal controls (ICP 8) would feed into ERM.
1168. Swiss Re	Switzerland	No	Additional material on actuarial policy for ERM and solvency purposes would be overly prescriptive. In particular with regards to ERM and solvency, this could lead to requirements for the actuarial function which are best carried out by other functions, e.g. finance. For example, 16.7e requires the actuarial function to carry out "a prospective analysis of the financial situation of the IAIG which goes beyond the current balance sheet of the IAIG". This task is not necessarily best placed with the actuarial function – this depends on the situation at the individual insurer.
1169. Institute and Faculty of Actuaries	UK	No	There is sufficient guidance included in CF 16.7d and subsequent paragraphs
1170. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1171. Prudential Financial, Inc.	United States of America	No	
1172. Institute of International Finance/Geneva Association	United States/Switzerland	No	

261 - Q261 ORSA – Should the interaction between ICS and ORSA be made clearer in ComFrame? If yes, what are the areas that are currently lacking in clarity?			
1174. Canadian Institute of Actuaries	Canada	No	The proposed changes to ComFrame, as drafted, adequately cover the interaction of ICS and ORSA for the time being. We see the usage of internal models for ICS as the key point of interaction with ORSA. At this point, the CIA does not believe that the ICS has been sufficiently developed with respect to internal models to expand the scope of ComFrame; as a result, the CIA believes that extending the connection between the ICS and ORSA at this time would be premature. Once the approach for recognizing internal models in ICS is developed over the next five years or so, it would make sense to update ComFrame to reflect this. We expect the ICS will naturally converge towards an economic model that will align better with internal ORSA models, allowing the ORSA to be based on the same internal model that each company would use for its ICS.
1175. Insurance Europe	Europe	No	
1176. AIA Group	Hong Kong	Yes	The requirements for the ICS should be consistent with the requirements for ORSA and there should be avoidance of standards that duplicate or conflict with each other.
1177. International Insurance Foundation	International	Yes	But it is not interaction. Both the ICS and the ORSA are useful tools for supervisors to protect policyholders. Neither is perfect, and they are not necessarily completely consistent with each other.
1178. The Life Insurance Association of Japan	Japan	No	The LIAJ understands that the insurer performs ORSA for the purpose of assessing the adequacy of its risk management. Thus, the insurer needs not amend its ORSA directly triggered by any amendments to ICS. Considering the contents of ORSA and its impacts on ERM framework, the LIAJ recognises that both ORSA and ICS are independent from one another. Meanwhile, since the insurer is likely to analyse the output indicated by ICS and ORSA, and then consider capital adequacy based on them. Therefore, there may be some interactions between ICS and ORSA. However, the LIAJ believes that the interaction between ICS and ORSA need not be

			made clearer in ComFrame since the content and usage of ORSA is diversified among insurers in the light of assessing the adequacy of risk management.
1179. Home Loan Guarantee Company NPC	Johannesburg	No	
1180. American Council of Life Insurers	Office of General Counsel	Yes	Yes – although only in the sense that the ICS should recognize that there are other tools to manage insurer's solvency, like ORSA. Nevertheless, the great strength of the current ICP material on ORSA is in its lack of prescription. This allows insurers to emphasize the "own" in ORSA. In our opinion, making the ORSA more prescriptive would not improve its effectiveness. Our "yes" is not an endorsement of further prescriptive guidance for the ORSA. Given future field testing exercises and the 5-year monitoring phase starting in 2019/2020, it is to be expected that the ICS will continue to be developed and changes will be made to certain aspects of the framework (and shock calibrations). For example, conducting a solvency projection over a 3 to 5 year time horizon will have implications on the accuracy of future available and required capital as well as the solvency ratios. This should be borne in mind for the ORSA process guidance. When performing the group-wide ORSA, insurers should be encouraged to harness existing processes and approaches given that many legal entities are already required to carry out an annual ORSA by their local supervisors.
1181. Monetary Authority of Singapore (MAS)	Singapore	No	The interaction between ICS and ORSA seems sufficiently clear and straightforward. ICP 16.11 already provides guidance between ORSA and regulatory capital requirements, including at a group level. In the case of IAIGs, the regulatory capital requirements referred to here would be the ICS as adopted by the group supervisor. This should suffice and no additional guidance regarding the relationship between ICS and ComFrame should be needed. Where we think more clarification would be useful

			is in the relationship between the economic capital model and the ICS, as indicated in our response to Q173 below.
1182. Swiss Re	Switzerland	No	We believe that the great strength of the current ICP material on ORSA is in its lack of prescription. This allows insurers to emphasize the "own" in ORSA. Making the ORSA more prescriptive would not improve its effectiveness in our view.
1183. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1184. Prudential Financial, Inc.	United States of America	No	Broadly speaking, the rich content supervisors gain through ORSAs could be viewed as a guardrail element that that would justify a more appropriate level of conservatism than the IAIS has currently embedded in the ICS. Beyond that context, we do not believe it would be appropriate to link the ORSA to the ICS, which is an unproven capital framework that will remain under development for several more years.
1185. Institute of International Finance/Geneva Association	United States/Switzerland	Yes	However, our answer “yes” should not be taken as a recommendation that in clarifying the interaction between the ICS, ComFrame, and ORSA, we are recommending increased prescription. To the contrary, as stated multiple times we believe the strength and utility of an ORSA lie in its remaining a company’s “own” risk management tool, and ComFrame and the ICS should explicitly recognize that there are other tools to manage an insurer’s solvency, like ORSA. Given future field testing exercises and the 5-year monitoring phase starting in 2019/2020, it is to be expected that the ICS will continue to be developed and changes will be made to certain aspects of the framework, including and shock calibrations. For example, when conducting a solvency projection over a 3 to 5 year time horizon, this will have implications on the accuracy of future available and required capital as well as the solvency ratios. The fact that the ICS is not yet determinate should be borne in mind when making any business or strategic decisions on the basis of an ORSA exercise

			For these reasons, we recommend that as the ICS is developed, guidance in ICPs on ORSA, ERM and other ICS related elements, including those that may be related to future implementation of the IAIS's activities-based approach to management of potential systemic risk, be vetted for consistency and potential overlap and their interactions explained to avoid misinterpretation and the unintended consequences of subjecting an IAIG to overly burdensome and costly requirements. An additional point we would reiterate here, is when performing the group-wide ORSA, which is required of many legal entities already by their local supervisors, insurers should be encouraged to harness existing processes and approaches. However, no further direction needs to be added to ComFrame on this point, since the current ORSA requirement leaves appropriate flexibility to companies to identify and assess their own risks according to their specific risk profiles.
262 - Q262 ORSA – Should the interaction between ICS and ORSA be made clearer by clarifying the assessment of the less readily quantifiable risks such as strategic risk and reputational risk?			
1187. Canadian Institute of Actuaries	Canada	Yes	The CIA believes that ORSA should cover non-quantifiable risks like strategic and reputational risks through establishment of an internal capital target that reflects the company's specific risk profile. By design as a standard approach for international comparisons, the CIA does not think it appropriate to embed strategic or reputation risks in ICS; company-specific ORSAs are better suited to address these risks.
1188. Insurance Europe	Europe	No	
1189. Global Federation of Insurance Associations	Global	No	
1190. AIA Group	Hong Kong	No	The risks that a IAIG is subject to should be determined by the IAIG.

1191. International Insurance Foundation	International	Yes	The key point is the ORSA´s value in assessing the management.
1192. The Life Insurance Association of Japan	Japan	No	In general, the insurer performs ORSA for the purpose of assessing the adequacy of its risk management. Thus, the insurer needs not amend its ORSA directly triggered by any amendments to ICS. Considering the contents of ORSA and its impacts on ERM framework, the LIAJ recognises that both ORSA and ICS are independent from one another. Meanwhile, since the insurer is likely to analyse the output indicated by ICS and its ORSA and then considers its capital adequacy taking into account them at individual insurer level, there may be some interactions between ICS and ORSA. However, in the light of assessing the adequacy of its risk management, the usage of ORSA is diversified among insurers, the LIAJ believes that the interaction between ICS and ORSA need not be made clearer in ComFrame. Regarding less readily quantifiable risks which are not included in ICS, insurers may include them in ORSA. However, the LIAJ believes that the additional capital requirements in ICS should not be posed as they may against the purpose of conducting ORSA, even where less readily quantifiable risks are not included in ORSA.
1193. Home Loan Guarantee Company NPC	Johannesburg	No	
1194. American Council of Life Insurers	Office of General Counsel	No	No. It should be up to companies to define their major risks depending on their risk profiles. Insurers have a range of approaches for assessing less quantifiable risks like strategic and reputational risk, which can differ based on a number of different factors. The IAIS should not seek to prescribe an approach.
1195. Monetary Authority of Singapore (MAS)	Singapore	No	The question does not state where the clarification could be made but we presume the question refers to clarifications that can be made in ComFrame, similar to Q170. ICS is a quantitative capital standard and hence includes quantifiable risks, while ORSA should factor in both quantifiable and less quantifiable risks. We think this is sufficiently

			clear in current drafting. In particular, CF 16.10a.1 specifically highlights reputational risk, and CF 16.12 specifically refers to strategic risk. We think this is sufficient. (If necessary, the CF text on the ICS itself could clarify that less quantifiable risks are not considered in the ICS but should be considered under the ORSA, including a reference to CF 16).
1196. Swiss Re	Switzerland	No	As we mentioned in our response to Q161, we believe that the great strength of the current ICP material on ORSA is in its lack of prescription. This allows insurers to emphasize the "own" in ORSA. Making the ORSA more prescriptive would not improve its effectiveness in our view. In particular with regards to less quantifiable risks, e.g. strategic and reputational, insurers have a range of approaches for assessing these risks, which differ based on a number of factors. IAIS should not seek to prescribe an approach.
1197. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1198. Prudential Financial, Inc.	United States of America	No	Broadly speaking, the rich content supervisors gain through ORSAs could be viewed as a guardrail element that that would justify a more appropriate level of conservatism than the IAIS has currently embedded in the ICS. Beyond that context, we do not believe it would be appropriate to link the ORSA to the ICS, which is an unproven capital framework that will remain under development for several more years.
1199. Institute of International Finance/Geneva Association	United States/Switzerland	No	As mentioned in Q261, we believe that the current requirement on ORSA leaves appropriate flexibility to emphasize the “own” in ORSA, and that making it more prescriptive would not improve its effectiveness. In particular with regards, to less quantifiable risks, e.g. strategic and reputational, there is a range of existing approaches to assess these risks, based on various factors. It should not be prescribed which one approach to use.

263 - Q263 ORSA – Fungibility of capital: To what extent should the ORSA play a role as part of a holistic approach to the fungibility of capital within the ICS? In addition to the consideration of criteria within the capital resources framework of the ICS, would it be useful for ComFrame to provide some specificity on how supervisors should assess fungibility of capital and take that into account in assessing the overall capital adequacy of the IAIG?			
1201. Canadian Institute of Actuaries	Canada	No	The CIA agrees that fungibility of capital elements should be assessed as part of a company's ORSA, based on the company's view of the fungibility of its different capital resources. However, the CIA does not believe that ComFrame should require the fungibility assessment to be linked to the ICS criteria for defining capital resources. (This requirement would prevent the company from reflecting its own views in its ORSA.) The CIA believes that ComFrame should provide some specificity to supervisors; that when the supervisor is assessing the overall capital adequacy of the internationally active insurance group (IAIG), the supervisor should also consider the company's ORSA assessment of fungibility as supplemental information in addition to the capital resources defined based on ICS criteria.
1202. Insurance Europe	Europe	No	
1203. AIA Group	Hong Kong	No	It should be up to the IAIG to determine the fungibility of its capital based on local requirements.
1204. International Insurance Foundation	International	Yes	"Fungibility of capital" is a dubious concept, and its application within the ORSA is not the same as within the ICS. Specific guidance is clearly warranted.
1205. The Life Insurance Association of Japan	Japan	No	Since the appropriateness of the approach to the fungibility of capital may be diversified among jurisdictions and insurers, the LIAJ believes that it is not beneficial to specify it beyond the consideration of ICS standards for capital resource framework. Although the quantitative assessment of fungibility of capital may be difficult and its legislative measures may be diversified among jurisdictions, there may be a room to consider fungibility of capital in the ORSA taking into account the feature of insurance group. However, given that the insurer performs ORSA for the purpose of assessing the

			adequacy of its risk management, the LIAJ believes that the additional capital requirements in ICS should not be posed as they may against the purpose of conducting ORSA, even where less readily quantifiable risks are not included in ORSA.
1206. Home Loan Guarantee Company NPC	Johannesburg	No	
1207. American Council of Life Insurers	Office of General Counsel	No	No. While fungibility of capital should be assessed at the group level, we do not believe ComFrame needs to provide additional specificity. Instead, regulators should rely on analyzing jurisdictional requirements and the ability to restrict transfer of capital. Although fungibility is assessed in ORSA at the group level, an ORSA is a company's view of its own risk, and the ORSA should not drive regulatory intervention or decisions. Supervisors should make their own analysis of jurisdictional requirements.
1208. Monetary Authority of Singapore (MAS)	Singapore	No	There are two questions in this question. On the first question (To what extent should the ORSA play a role as part of a holistic approach to the fungibility of capital within the ICS?), ICS is not meant to take care of capital fungibility issues for practical reasons. ORSA on the other hand allows the supervisor to holistically consider fungibility of capital when assessing the overall capital adequacy of the IAIG. On the second question, the current drafting already provides some guidance on fungibility issues, e.g. ICP 16.1.8, CF 16.1c.2, CF 16.10a, ICP 16.11.8, ICP 17.11.50, ICP 17.11.51 etc. Greater specificity would certainly be beneficial, but we think that practically this would be difficult to develop as fungibility is a difficult and subjective issue to assess, and to aim for ComFrame to provide specifics on how to do this in a globally consistent way, within supervisory frameworks for assessing capital adequacy, is challenging. One alternative is for the IAIS to perhaps provide, or at least explore, general principles on how fungibility is to be assessed (either as part of the ICPs or in a separate guidance paper). This could prove useful for global consistency of solo supervision, for advancing thinking on how to assess this difficult issue, and for facilitating conversations between supervisors at supervisory colleges, while still leaving room for jurisdiction-specific considerations.

1209. Swiss Re	Switzerland	No	Continuing on the theme of the comments above, IAIS should not seek to add additional prescription to the ORSA. Supervisors should be given appropriate flexibility on how to address the issue of capital fungibility. This should take into account the insurers "own" approach, which should be well articulated in the ORSA.
1210. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1211. Prudential Financial, Inc.	United States of America	No	Broadly speaking, the rich content supervisors gain through ORSAs could be viewed as a guardrail element that that would justify a more appropriate level of conservatism than the IAIS has currently embedded in the ICS. Beyond that context, we do not believe it would be appropriate to link the ORSA to the ICS, which is an unproven capital framework that will remain under development for several more years.
1212. Institute of International Finance/Geneva Association	United States/Switzerland	No	While fungibility of capital should be assessed at the group level, we do not believe ComFrame needs to provide additional specificity. Instead, companies and regulators should rely on analyzing jurisdictional requirements and the ability to restrict transfer of capital. Although fungibility is assessed in ORSA at the group level, an ORSA is a company's view of its own risk, and the ORSA should not drive regulatory intervention or decisions.
264 - Q264 ORSA – Would it be useful for ComFrame to provide explanation on how supervisors should review the output of an IAIG's economic capital model against regulatory requirements, including the determination of follow-up regulatory actions?			
1214. Canadian Institute of Actuaries	Canada	Yes	The CIA believes that that each supervisor should determine the follow-up regulatory actions based on an analysis of each company's unique situation. The ComFrame could be expanded to include a principle-based explanation including determination of follow-up regulatory actions.

1215. Insurance Europe	Europe	No	
1216. AIA Group	Hong Kong	Yes	It should be clarified that a poor result from an ORSA should not lead to immediate regulatory actions against an insurer or IAIG.
1217. International Insurance Foundation	International	Yes	
1218. The Life Insurance Association of Japan	Japan	Yes	We would like to note that "output of an IAIG's economic capital model against regulatory requirements" is unclear and may have two different interpretations. One possible interpretation would be that the results indicated by the IAIG's economic capital model against the regulatory requirements. Another one would be that the output of an IAIG's economic capital model does not qualify the level of regulatory requirements. In the former interpretation, the LIAJ would like to comment that the additional supervisory actions due to the differences in each model may against the purpose of conducting ORSA given that the insurer performs ORSA for the purpose of assessing the adequacy of its risk management, although it is important for supervisors to understand the differences between ICS and capital model of each insurer. In the latter interpretation, the LIAJ believes that the supervisor should not determine supervisory actions triggered by the output of an IAIG's economic capital model that against regulatory requirements. Meanwhile, in such case, the LIAJ would like the IAIS to clarify that supervisors should review the output comprehensively taking into account other quantitative and qualitative information.
1219. Home Loan Guarantee Company NPC	Johannesburg	Yes	

1220. American Council of Life Insurers	Office of General Counsel	Yes	Yes. ComFrame should clarify that while an insurer's or IAIG's economic capital model may provide useful insight and information to supervisors, but its outputs should neither serve to trigger regulatory action nor be confused with binding regulatory constraints. While it is appropriate for the results to be shared with group-wide supervisors, this communication should not result in any regulatory action nor in any prescribed or standard stress tests as part of the ORSA. That would be contradictory to the main aim of the ORSA, which serves as the insurer's assessment of its "own" view of risks. We oppose any framework that prescribes ORSA tests or links outcomes to a specific regulatory action, as this implies that ORSA is a regulatory tool instead of an insurer's assessment of their "own" risk. The ORSA is most effective when it is non-prescriptive and supports a transparent dialogue between supervisors and insurers. Any clarity or specification provided in ComFrame should make that clear that regulatory requirements should drive regulatory determinations.
1221. Monetary Authority of Singapore (MAS)	Singapore	Yes	This would help enhance global consistency in the treatment of economic capital for IAIGs by group supervisors, to the extent supervisors do not approve the use of economic capital models for regulatory capital purposes. However we suggest the guidance be principles based (possibly with examples), rather than being prescriptive.
1222. Swiss Re	Switzerland	No	In our view, increasing the level of prescription of ORSA for purposes of supporting supervisors in determining follow-up regulatory actions is not a productive expansion of ORSA. The ORSA is most effective when it is non prescriptive and supports a transparent dialog between supervisors and insurers. If insurers are faced with the real possibility that supervisors will use the ORSA in a prescriptive, potentially predictable way to determine regulatory actions, insurers will have a lower incentive to engage in an open and transparent discussion, both internally and with the supervisor.

1223. Institute and Faculty of Actuaries	UK	No	This would be difficult to articulate given differences in regulatory and economic capital approaches and the implications of different bases on an insurer's risk management process.
1224. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1225. Prudential Financial, Inc.	United States of America	No	The focus of ComFrame should be on the outcomes to be obtained, not the process with which to obtain them.
1226. Institute of International Finance/Geneva Association	United States/Switzerland	Yes	ComFrame should be clear that supervisors are to treat regulations as the mandated fail-safe standards, on the one hand, and such in-house tools as an insurer's economic capital model, on the other hand, as proprietary tools providing useful insight and information to both insurer and supervisors but whose outputs should not be confused with regulatory constraints. While it is appropriate for the results to be shared with group-wide supervisors, this communication should not result in any regulatory action nor in any prescribed or standard stress tests as part of the ORSA. That would be contradictory to the main aim of the ORSA, which serves as the insurer's assessment of its "own" view of risks. Again, our answer "yes" should not be taken as recommending increased prescription. We oppose any framework that prescribes ORSA tests or links outcomes to a specific regulatory action, as this implies that ORSA is a regulatory tool instead of an insurer's assessment of their "own" risk. Any clarity or specification provided in ComFrame should make that clear that only regulatory requirements should drive regulatory determinations.
265 - Q265 Stress testing – Should the complementarity between ICS and stress testing be made clearer in ComFrame? If yes, what are the areas that are currently lacking in clarity?			
1228. Canadian Institute of Actuaries	Canada	No	The CIA believes that more work is needed on the ICS before this can be done.

1229. Insurance Europe	Europe	No	
1230. AIA Group	Hong Kong	Yes	We anticipate that some clarity will emerge as a result of the 5 year monitoring period of the ICS.
1231. International Insurance Foundation	International	Yes	
1232. The Life Insurance Association of Japan	Japan	Yes	The LIAJ believes that the relationship between the risk events to be captured using risk measuring model which the IAIS considers to include in ICS and those to be captured using stress testing should be made clearer. For example, mass lapse risk and the catastrophe risk for life insurers should be assessed using stress testing in the light of their concepts, and be excluded from the calculation of ICS.
1233. Home Loan Guarantee Company NPC	Johannesburg	No	
1234. Monetary Authority of Singapore (MAS)	Singapore	No	Although ICS and stress testing are conceptually related (e.g. many risk charges in the ICS are calculated by applying stresses), the two exercises are separate and as long as the instructions for each are independently clear there should be no confusion.
1235. Swiss Re	Switzerland	No	A stress testing framework to compliment the ICS would be a considerable addition to an already ambitious global project. It seems that IAIS is currently unclear what it seeks to accomplish and why. Is this approach meant to be a non-prescriptive element of an insurer´s ERM framework? Then it already sufficiently addressed in the ORSA, in our view. Is this for systemic risk management? Then IAIS should first consider this issue at a less granular level as part of its work on Activities-Based Approach to systemic risk management. If the stress testing is not to be used for systemic risk management, then it essentially becomes a microprudential capital add on to ICS. We question whether

			IAIS should consider capital adds to ICS given that the calibration of ICS is still a work in progress.
1236. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1237. Prudential Financial, Inc.	United States of America	No	Broadly speaking, stress testing performed by the IAIG or insurer could serve as a guardrail element that that would justify a more appropriate level of conservatism than the IAIS has currently embedded in the ICS. Beyond that context, we do not believe it would be appropriate to attempt to link the ICS, which is an unproven capital framework that will remain under development for several more years, to stress testing or embark on a project to create an one-size-fits-all stress testing framework.
1238. Institute of International Finance/Geneva Association	United States/Switzerland	No	Additional clarity over time may be helpful, but it must be principles-based (e.g., outcomes based) and not prescriptive. Ideally, some of this clarity should be a natural result of the 5-year monitoring period beginning in 2019/2020. At this juncture, this is premature. Given the future field testing exercises and extended monitoring period it is to be expected that the ICS will continue to be developed and changes will be made to certain aspects of the framework.
266 - Q266 Stress testing – Should this ComFrame material be further developed to complement supervisor's assessment of an IAIG's capital adequacy?			
1240. Canadian Institute of Actuaries	Canada	No.	The CIA believes that the ComFrame material relating to stress testing is currently adequate. Further, the CIA believes that the ICS must be further developed before the ComFrame materials can be expanded to address this issue.
1241. Insurance Europe	Europe	No.	

1242. AIA Group	Hong Kong	No.	Capital adequacy is dependent on the nature, scale and complexity of an insurer and would differ in each case.
1243. The Life Insurance Association of Japan	Japan		The LIAJ suggests that the relationship between the risks to be captured as the amount of risk addressed in ICS and those to be calculated using stress testing should be made clearer. For example, mass lapse risk and the catastrophe risk for life insurers should be assessed using stress testing in the light of their concepts, and be excluded from the calculation of ICS.
1244. Monetary Authority of Singapore (MAS)	Singapore		We do not think that additional material is needed in this ICP. Any such material would be better placed under ICP 17
1245. Swiss Re	Switzerland		Is this for systemic risk management? Then IAIS should first consider this issue at a less granular level as part of its work on Activities-Based Systemic Risk Management. If the stress testing is not to be used for systemic risk management, then it essentially becomes a microprudential capital add on to ICS. We question whether IAIS should consider capital adds to ICS given that the calibration of ICS is still a work in progress.
1246. Cincinnati Insurance Company	United States of America	NO.	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1247. Prudential Financial, Inc.	United States of America		We find this question unclear however, we reiterate our view that the focus of ComFrame should be on the outcomes to be obtained, not the process with which to obtain them.
267 - Q267 Economic capital model – Should the interaction between the requirement to maintain a comprehensive economic capital model and any future possible use of internal models be clarified? If yes, what are the aspects that need to be clarified?			

1248. Canadian Institute of Actuaries	Canada	Yes	The CIA agrees that consistency is required between economic capital models that support ICS, and ORSA; however, a single model may not necessarily be appropriate to support all analyses and care should be taken when describing this interaction.
1249. Insurance Europe	Europe	No	
1250. Global Federation of Insurance Associations	Global	No	
1251. AIA Group	Hong Kong	No	The use of an economic capital model should be up to an individual insurer or IAIG and distinct from internal models which are for regulatory purposes.
1252. International Insurance Foundation	International	No	
1253. The Life Insurance Association of Japan	Japan	No	As a first step, the LIAJ believes that it is important to reflect each insurer's reality in the standard method of ICS as much as possible in the process of sophisticating standard method. However, if the reality of each insurer may not be reflected adequately in the standard method of ICS, the use of internal models to complement supervisor's assessment of capital adequacy can be considered, taking into account the costs and level playing field. If the internal model is used in the calculation of ICS, the model should be consistent with an economic capital model used in ORSA, and the interaction between the each insurer's economic capital model used in ORSA and the internal model used for the assessment of ICS should be addressed in the supervisory approval criteria of internal models.

1254. Home Loan Guarantee Company NPC	Johannesburg	No	
1255. American Council of Life Insurers	Office of General Counsel	No	No. The use of economic capital models should be within a company's discretion. If any clarity is offered, it should be to recognize that economic capital models are distinct from internal models (such as Solvency II internal models) that are used for regulatory purposes. As such it should be recognized that economic capital models would be subject to a different form of validation than that required for internal models used for regulatory purposes.
1256. Monetary Authority of Singapore (MAS)	Singapore	No	We assume that "any future possible use of internal models" means the use of such models for regulatory capital purposes. The expectation for supervisors to require IAIGs to maintain an economic capital model is a distinct issue from the use of such a model for regulatory capital purposes. Furthermore, the latter pertains more closely to the ICS and should be addressed in ICS-related drafting as and when the issue is agreed, rather than to be addressed at this point in time and in this ICP. As long as any additional guidance on assessing the outputs of the economic capital model against regulatory requirements (per Q173 above) factors in the possibility that some supervisors will have approved the economic capital model for regulatory capital purposes, additional clarification should not be needed at this stage.
1257. Swiss Re	Switzerland	Yes	Swiss Re continues to encourage IAIS to allow the use of internal models to determine regulatory capital. The arguments in favour of doing so are many, but given the scope of this consultation, we will not elaborate on them here. If IAIS allows the use of internal models in ICS, then the issue of interaction goes away, since the internal model and the comprehensive economic capital model are one and the same.
1258. Institute and Faculty of Actuaries	UK	Yes	It is helpful to clarify the role of economic capital versus an internal model used for regulatory capital reporting, which could reflect different methods and assumptions to be used for regulatory reporting.

1259. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1260. Prudential Financial, Inc.	United States of America	No	The focus of IAIS policy measures should be on the outcomes to be obtained, not the process with which to obtain them.
1261. Institute of International Finance/Geneva Association	United States/Switzerland	Yes	The use of economic capital models should be within a company's discretion. If any clarity is offered, it should be to recognize that economic capital models are distinct from internal models (such as Solvency II internal models) that are used for regulatory purposes
268 - Q268 Actuarial governance and reporting – Given what is already provided in Standards 8.3 and 8.6 and the accompanying guidance on the control function and the actuarial function, should ComFrame further elaborate on governance arrangements and controls relating specifically to group-wide actuarial policy and reporting? If yes, please specify the aspects that should be further described.			
1263. Canadian Institute of Actuaries	Canada	No	The CIA believes that standards 8.3 and 8.6 in ICP 8 are sufficient.
1264. Insurance Europe	Europe	No	
1265. Global Federation of Insurance Associations	Global	No	
1266. AIA Group	Hong Kong	No	Additional standards should be avoided given that this would likely overlap with other requirements and inconsistencies should be avoided.

1267. International Insurance Foundation	International	Yes	Professional standards of actuaries and professional discipline.
1268. General Insurance Association of Japan	Japan	Yes	As we commented in reference to CF16.7e, in addition to more centralised control functions, more decentralised control functions should also be permitted. It is common in Japan for an insurer´s actuarial function to be fulfilled collectively by several divisions. As we have found this to be not at all problematic, ComFrame should be revised to allow for such practices. In particular, detailed requirements on the operations of an IAIG's actuarial function will increase the burden of the Head of the IAIG. Hence, it should be clarified that, with regard to the IAIG's actuarial function, simplified responses and those depending on proportionality are allowed. We would also like to note that the application of the proportionality principle should be clarified for other functions as well.
1269. The Life Insurance Association of Japan	Japan	No	As for the actuarial policy, it is currently required to be established as a group-wide risk management policy to assess the appropriateness of calculation, as well as the model risk management of internal models for solvency purposes. Besides, given that the practice standards of actuary comprising the group-wide actuarial policy, the LIAJ believes that the group-wide actuarial policy is sufficiently developed already and concerns that the diversity of risk management policy would be undermined if more granular level of actuarial policy is developed.
1270. Home Loan Guarantee Company NPC	Johannesburg	No	
1271. American Council of Life Insurers	Office of General Counsel	No	No. This should have been part of the efforts to streamline and eliminate overlap. Additional material on actuarial governance and reporting would not be beneficial in our view. Such additional material would be overly prescriptive. This could lead to requirements either for the actuarial function or for the control function which are best carried out by other functions within Finance or Risk. Further guidance would impede

			on insurers ability to implement processes that are best suited to their situation, organization and risk profile
1272. Monetary Authority of Singapore (MAS)	Singapore	No	We think the current drafted text in CF 16.7d and CF 16.7e provide sufficient governance-related guidance relating to the group-wide actuarial policy and reporting and have no suggestions for further additions. However, as mentioned in our response to Q8, CF 16.7d and CF 16.7e would fit better under CF/ICP 8.
1273. Swiss Re	Switzerland	No	Additional material on actuarial governance and reporting would not be beneficial in our view. Such additional material would be overly prescriptive. This could lead to requirements either for the actuarial function or for the control function which are best carried out by other functions within Finance or Risk. Further guidance would impede on insurers ability to implement processes that are best suited to their situation, organization and risk profile.
1274. Institute and Faculty of Actuaries	UK	No	
1275. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1276. Prudential Financial, Inc.	United States of America	No	The focus of ComFrame should be on the outcomes to be obtained, not the process with which to obtain them.
1277. Institute of International Finance/Geneva Association	United States/Switzerland	No	This should have been part of the efforts to streamline and eliminate overlap.
269 - Q269 Others – The ICS allows for the assessment of materiality by IAIGs. For example, a specific factor or rule in the valuation calculation could be simplified if the IAIG deems that the impact of simplification would be immaterial. Should the ComFrame provide clarification on materiality criteria or should this be supervisors' discretion?			

1279. Canadian Institute of Actuaries	Canada	No	The CIA believes that the ComFrame should not define materiality thresholds; supervisory discretion is appropriate to determine materiality.
1280. Insurance Europe	Europe	No	
1281. Global Federation of Insurance Associations	Global	No	
1282. AIA Group	Hong Kong	No	Materiality criteria should be mutually agreed between the IAIG and supervisor(s).
1283. International Insurance Foundation	International	No	
1284. General Insurance Association of Japan	Japan	Yes	The direction of the ICS application as a group PCR is expected to be determined through discussions among supervisors (for example, in supervisory colleges) and dialogue between supervisors and insurers during the monitoring period starting in 2020 for confidential reporting to group-wide supervisors. Therefore, it is appropriate to allow for materiality criteria, which are based on supervisory discretion according to a given jurisdiction´s legal regime and other factors, rather than clarifying the criteria in ComFrame.
1285. The Life Insurance Association of Japan	Japan	No	The LIAJ believes that the IAIG should take into account both the entity-specific circumstances and the way supervisor uses these information when performing the assessment of materiality. Each IAIG should perform the assessment of materiality under the assumption that supervisory actions may not always be the same in jurisdictions, taking into account these local supervisory actions as well as its current conditions. Thus, the LIAJ suggests that the IAIG's own judgement regarding materiality should be allowed if reasonable.

1286. Home Loan Guarantee Company NPC	Johannesburg	No	
1287. American Council of Life Insurers	Office of General Counsel	No	No. This should be a discussion between supervisors and supervised and at supervisory discretion
1288. Monetary Authority of Singapore (MAS)	Singapore	Yes	Yes, ComFrame should provide clarification on materiality criteria, but as an example rather than as a prescriptive threshold. We think that a prescriptive threshold (e.g. defining materiality as a factor that alters total capital requirement by X% or more) is unlikely to find agreement and will delay agreement on what is more broadly a meaningful set of standards. Furthermore a specific threshold is not in keeping with the principles-based nature of the ICPs. However, examples of how materiality thresholds can be defined could be provided in the text to promote consistency across regulators while still according regulators with the flexibility to define thresholds based on their own circumstances. Standards or guidance can also be included regarding the transparent sharing of such materiality information with other supervisors in supervisory colleges.
1289. Swiss Re	Switzerland	No	
1290. Institute and Faculty of Actuaries	UK	No	This should be left up to the supervisor's discretion given the importance of a specific valuation element to the risk management process as a whole as well as for the purposes of specific capital calculations
1291. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1292. Prudential Financial, Inc.	United States of America	No	The supervisor, in cooperation with the IAIG, should have discretion over materiality decisions.

1293. Institute of International Finance/Geneva Association	United States/Switzerland	No	This should be a discussion between supervisors and the supervised entity and at supervisory discretion
270 - Q270 Others – Should the ComFrame provide clarification on differences (if any) between the model governance for internal models used to meet regulatory requirements (ICP 17 (Capital Adequacy)) and economic capital models used for strategic planning purposes/ORSA (ICP 16)?			
1295. Canadian Institute of Actuaries	Canada	No	The CIA expects that any differences should be understood; however, this requirement should be captured in an ICP rather than the ComFrame.
1296. Insurance Europe	Europe	No	
1297. AIA Group	Hong Kong	Yes	This rationale is that internal models and economic capital models may be used for difference purposes.
1298. International Insurance Foundation	International	Yes	
1299. The Life Insurance Association of Japan	Japan	No	The LIAJ recognises that the application of internal models in the ICS will be considered by the end of the “monitoring period”. Therefore, it may be too early to discuss differences between the model governance for internal models and economic capital models at this stage without concrete deliberation on the internal models.
1300. Home Loan Guarantee Company NPC	Johannesburg	No	

1301. American Council of Life Insurers	Office of General Counsel	Yes	Yes. They should clarify that they are different and should have different validation with a view to a different purpose. Economic capital models are reviewed and commonly validated by experts/consultants on behalf of the firm, whereas internal models are validated for regulatory purposes by the supervisor/regulator or its agent.
1302. Monetary Authority of Singapore (MAS)	Singapore	Yes	If there are differences in the model governance expectations, these differences and their rationales should be made explicit. However we expect that the model governance expectations for full internal models would be similar, regardless of whether it is used for regulatory capital purposes or purely for ERM and strategic planning purposes. The more significant difference would likely be between partial and full internal models. Also there should be no duplication of governance-related standards between ICP 16 and 17 to avoid double jeopardy. We would suggest that such clarification be included in ICP 17, and perhaps a reference to ICP 17 could be included in CF 16.2a.
1303. Swiss Re	Switzerland	No	In many cases there will be no difference. When there is a difference, then it should be the responsibility of the insurer to determine the appropriate governance, in the spirit of "own" risk and solvency assessment.
1304. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1305. Prudential Financial, Inc.	United States of America	No	The focus of ComFrame should be on the outcomes to be obtained, not the process with which to obtain them.
1306. Institute of International Finance/Geneva Association	United States/Switzerland	Yes	They should clarify that they are different and should have different validation with a view to a different purpose. Economic capital models are reviewed and commonly validated by external experts/consultants, whereas internal models are validated for regulatory purposes by the supervisor/regulator or its agent.
271 - Q271 Others – With regard to ERM for Solvency Purposes/ORSA, are there other items that should be taken into account or further clarified in ComFrame given the ongoing development of the ICS? Please elaborate.			

1308. Canadian Institute of Actuaries	Canada	No	
1309. Insurance Europe	Europe	No	
1310. Global Federation of Insurance Associations	Global	No	
1311. AIA Group	Hong Kong	Yes	There may be changes as a result of the 5-year monitoring phase of the ICS.
1312. International Insurance Foundation	International	No	
1313. The Life Insurance Association of Japan	Japan	No	
1314. Home Loan Guarantee Company NPC	Johannesburg	No	
1315. American Council of Life Insurers	Office of General Counsel	Yes	Given future field testing exercises and the 5-year monitoring phase starting in 2019/2020, it is to be expected that the ICS will continue to be developed and changes will be made to certain aspects of the framework (and shock calibrations). For example, conducting a solvency projection over a 3 to 5 year time horizon will have implications on the accuracy of future available and required capital as well as the solvency ratios. This should be borne in mind for the ORSA process guidance.

1316. Monetary Authority of Singapore (MAS)	Singapore	No	Existing references to group regulatory capital requirements are sufficient as these would naturally refer to the group supervisor's implementation of the ICS.
1317. Swiss Re	Switzerland	No	
1318. Cincinnati Insurance Company	United States of America	No	See our answer to Q253. Since we believe the IAIS should not be in the business of creating new international insurance regulatory codes, there is no reason for the IAIS to undertake the work stream described in this question. We therefor answer the question with a solid "no."
1319. Prudential Financial, Inc.	United States of America	No	
1320. Institute of International Finance/Geneva Association	United States/Switzerland	Yes	Given future field testing exercises and the 5-year monitoring phase starting in 2019/2020, it is to be expected that the ICS will continue to be developed and changes will be made to certain aspects of the framework (and shock calibrations). For example, conducting a solvency projection over a 3 to 5-year time horizon will have implications on the accuracy of future available and required capital as well as the solvency ratios. This should be borne in mind when developing ORSA process guidance.