Contents

Introduction

Peer Reviews are part of the assessment strategy of the IAIS, designed to support members with the implementation of the IAIS supervisory material, in particular the Insurance Core Principles (ICPs). Assessments are undertaken to identify the nature and extent of any weakness or gaps in supervisory and regulatory frameworks, and to provide information on the level of current supervisory capacity and extent of future supervisory development.

YOUR AUTHORITY is being invited to participate in the self-assessment and peer review addressing ICP 16. A Word document is available with the questions pertaining to this ICP. Where you have more than one insurance supervisor in a jurisdiction (eg. a conduct and a prudential one), please provide a joint and coordinated response when answering the questions.

Instructions:

For each question, choose the response that most closely corresponds to the situation in YOUR JURISDICTION and YOUR AUTHORITY. Some questions ask about the actual experience in YOUR JURISDICTION. You should answer these questions on a "business as usual" basis. If records, reports or other material exist that would help you to respond to such questions, please refer to them. In case the actual experience had been absent during the COVID-19 pandemic, you are encouraged to give examples of where the situation has differed during the pandemic in the text box below the question.

In this Questionnaire, as in the ICPs, the term "legislation" is used to include primary legislation (which generally requires full legislative consent), secondary legislation and legally enforceable rules set by YOUR AUTHORITY. The term "supervisory guidelines" means documents issued by YOUR AUTHORITY to communicate expectations to the industry, which do not have the legal force of law. Where the term "case-by-case basis" is used, expectation is expressed by YOUR AUTHORITY depending on the nature, scale and complexity of the insurer and considering relevant micro- and macro-prudential supervisions.

PART I

A set of questions is prepared for assessing the legislation and supervisory practices that are in place to address the requirements for each ICP standard**,** while guidance provides recommendation on how a particular standard should be interpreted. The assessment should consider whether supervisory practices adequately meet the outcomes provided for in legislation and whether YOUR AUTHORITY enforces compliance.

In the comment box following each question, you will have the opportunity to provide additional information explaining cases where the actual situation differs substantially from any of the responses available and/or explanations of circumstances not fully captured by the available multiple-choice responses. Such information and explanation will be considered in assessing your survey responses. For example, additional inputs may include what triggers communication on a case-by-case basis, improvements already proposed or scheduled for implementation by YOUR AUTHORITY, etc.

PART II Furthermore, you will have the opportunity, in the second part of the questionnaire, to describe supervisory approaches in YOUR JURISDICTION. The responses are not used to assess the observance level in the assessment; however, YOUR AUTHORITY is encouraged to complete the questions in order to capture implemented practices concerning ICP 16. Such practices may be included in the aggregate report as “illustrative examples”.

Important: Please ensure that your responses have been approved as final before beginning the process of entering your responses online. As you move through the online questionnaire, you may use the “save as draft” option by clicking on the button at the top-right of each page. If you select the button, you will be directed to the “Save your unfinished survey” page. After entering login credential, you may return to the survey to continue answering questions. All responses can be edited before your final submission. Additionally, if you do not wish to comment on a question, please enter “N/A” in the comment box.

Please note that before your individual jurisdiction’s report is finalised, YOUR JURISDICTION will be provided with an opportunity to opt out of disclosing your assessment results as uploads to the IAIS Members Extranet.

If you have any question(s) or need further information in relation to completing the questionnaire, please submit your question(s) to the IAIS Secretariat (sharon.lin@bis.org). A webinar for clarifications of the questionnaire may be arranged if needed.

Please enter your Email Address:

Please Enter Your Jurisdiction’s Name:

Please Enter Your Authority’s Name:

Part I - ICP 16 Enterprise Risk Management for Solvency Purposes

16 The supervisor requires the insurer to establish within its risk management system an enterprise risk management (ERM) framework for solvency purposes to identify, measure, report and manage the insurer's risks in an ongoing and integrated manner.

16.1 The supervisor requires the insurer's ERM framework to provide for the identification of all reasonably foreseeable and relevant material risks and risk interdependencies for risk and capital management.

1. **How is the requirement** that an insurer's ERM framework provide for identification of all reasonably foreseeable and relevant material risks and risk interdependencies **implemented** in YOUR JURISDICTION?

	1. Fully and explicitly required under legislation *or* generally required under legislation and elaborated through published supervisory guidelines	2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law	3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis	4. Not addressed
a. Sources of risk (incl. macroeconomic exposures)				
b. Scope and materiality of risk				
c. Risk interdependency (incl. correlations between the tails of risk profiles)				
d. Alignment with risk and capital management				

If you would like to elaborate on this question, please provide your comments in the box below.

2. To what extent do the ERM requirements in YOUR JURISDICTION require insurers to cover the following **specific risk categories** when identifying all reasonably foreseeable and relevant material risks?

	1. Fully and explicitly required under legislation *or* generally required under legislation and elaborated through published supervisory guidelines	2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law	3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis	4. Not addressed
a. Insurance risk				
b. Market risk				
c. Credit risk				
d. Concentration risk				
e. Operational risk				
f. Liquidity risk				
g. Other specified material risk				

If you would like to elaborate on which other specified material risks are covered, please provide your comments in the box below.

[SURVEY TOOL SEPARATED SECTION]

*This part is **Optional**. The responses are not used to assess the observance level in the assessment. YOUR AUTHORITY is encouraged to complete the questions in order to capture implemented practices concerning ICP 16. (Set out in guidance 16.1.1, 16.6.8, 16.12.3 etc., this part does not prescribe any requirements, therefore is not assessed for observance.)*

- To what extent do the ERM requirements in YOUR JURISDICTION require insurers to cover the following **specific risk categories** when identifying all reasonably foreseeable and relevant material risks?

	1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines	*2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law*	*3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis*	*4. Not addressed*
a. Group risk				
b. Climate risk				
c. Cyber risk				

- In requiring the insurer's own risk and solvency assessment (ORSA) to encompass material risks, has *concentration risk* been addressed? Please provide your comments in the box below.

- Can you provide an example of requiring an insurer's assessment of *aggregate counterparty exposures* and analysis of the effect of stress events? Please provide your comments in the box below.

3. To what extent do the ERM requirements in YOUR JURISDICTION require the insurer's ERM framework to **consider** the direct and indirect interrelationships between legal entities within an insurance group?

    1. Consideration of group interrelationships is required under legislation.
    2. Consideration of group interrelationships is not required but there is an expectation from YOUR AUTHORITY.
    3. No, there is no such requirement or expectation.
    4. This question is not applicable, because there are no groups in YOUR JURISDICTION.

16.2 The supervisor requires the insurer's ERM framework to:

- **provide for the quantification of risk and risk interdependencies under a sufficiently wide range of techniques for risk and capital management; and**
- as necessary, **include the performance of stress testing to assess the resilience of its total balance sheet against macroeconomic stresses.**

4. Does YOUR AUTHORITY require insurers to provide for the quantification of risk and risk interdependencies under a wide range of techniques for risk and capital management?

    1. Yes, all insurers are required to provide for quantification of risk and risk interdependencies under a wide range of techniques for risk and capital management.
    2. Sometimes, but not always, insurers are required to provide for quantification of risk and risk interdependencies under a wide range of techniques for risk and capital management.
    3. No, but there is a communicated expectation of YOUR AUTHORITY.
    4. No, there is no such requirement or expectation. *SURVEY TOOL if selected, **SKIP** NEXT Qs (5&6)*

If you would like to elaborate on your response, please provide your comments in the box below.

5. To what extent does YOUR AUTHORITY require the insurer's ERM framework to have a sufficiently wide range of techniques for risk and capital management to allow for quantification of risk and risk interdependencies?

    1. A wide range of forward-looking quantitative techniques is used (such as risk modelling, stress testing, including reverse stress testing, and scenario analysis), considering a range of adverse circumstances and events (such as a significant threat to the financial condition of the insurer) and management actions and their timing are identified.
    2. Some quantitative techniques are used, considering a range of adverse circumstances and events, only limited management actions are identified.

3. Quantitative techniques are rarely used for the quantification of risk and risk interdependencies and no management actions are identified.
4. No quantitative techniques are used.

If you would like to elaborate on your response, please comment in the box below.

6. **How often** does YOUR AUTHORITY assess an insurer's quantification of risk and risk interdependencies under its ERM framework?
    1. Assessment is always performed as part of the evaluation of insurer ERM framework.
    2. Assessment is sometimes performed as part of the evaluation of insurer ERM framework.
    3. Assessment is performed in cases of actual or potential supervisory concerns.
    4. Assessment is not performed.

If you would like to elaborate on your response, please comment in the box below.

7. Does YOUR AUTHORITY have **an established process in place** to determine the insurers in scope of the requirement to include the performance of stress testing to assess the resilience of its total balance sheet against macroeconomic stresses?
    1. YOUR AUTHORITY has an established and documented process in place to determine the insurers in scope and is executing the process regularly.
    2. YOUR AUTHORITY has a less formal process in place to determine the insurers in scope.
    3. YOUR AUTHORITY has no process in place but uses judgement on a case-by-case basis to determine the insurers in scope.
    4. YOUR AUTHORITY does not determine the scope of the insurers subject to this requirement.
    *SURVEY TOOL if selected, **SKIP** NEXT Qs (8)*

If you would like to elaborate on your response, please comment in the box below.

8. For insurers subject to this requirement, **how often** does YOUR AUTHORITY review insurers to assess whether and how they are performing stress testing to assess the resilience of their total balance sheet against macroeconomic stresses as part of their ERM framework?

1. A review is always performed as part of the general evaluation of the insurer's ERM frameworks with a particular focus on macroeconomic stresses.
2. A review is sometimes performed even when there are no supervisory concerns but still with a particular focus on macroeconomic stresses.
3. A review only takes place in cases of actual or potential supervisory concerns and changes in the macroeconomic environment.
4. There is no such requirement or communicated expectation of YOUR AUTHORITY that stress testing with regards to macroeconomic resilience will be reviewed.
5. This question is not applicable as there had been no cases where stress testing was deemed necessary.

If you would like to elaborate on your response, please comment in the box below.

16.3 The supervisor requires the insurer's ERM framework to reflect the relationship between the insurer's risk appetite, risk limits, regulatory capital requirements, economic capital and the processes and methods for monitoring risk.

9. **How is the requirement** that an insurer's ERM framework reflects the relationship between the insurer's risk appetite, risk limits, regulatory capital requirements, economic capital and the processes and methods for monitoring risk **implemented** in YOUR JURISDICTION?
    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. There is no such requirement or communicated expectation. *SURVEY TOOL if selected, **SKIP** NEXT Qs (10&11)*

If you would like to elaborate on your response, please comment in the box below.

10. Which of the following **factors** does YOUR AUTHORITY **consider** when evaluating whether an insurer's ERM framework reflects the relationship between the insurer's risk appetite, risk limits, regulatory capital requirements, economic capital and the processes and methods for monitoring risk?

	1. Always considered	2. Sometimes considered	3. Not considered
a. How the insurer's risk management coordinates with strategic planning and the insurer's capital management.			
b. Whether the insurer's time horizon is consistent with the nature of the insurer's risks and the business planning horizon.			
c. Whether risks are monitored and reported to the Board and Senior Management in a regular and timely manner.			
d. Where internal models are used for business forecasting, the extent to which they are back-tested to validate accuracy over time.			
e. How the insurer's reinsurance arrangements: reflect the insurer's risk limits structure; play a role in mitigating risk; and impact the insurer's capital requirements.			
f. The use of any non-traditional forms of reinsurance (eg. finite reinsurance).			

If you would like to elaborate on your response, please comment in the box below.

11. **How often** does YOUR AUTHORITY assess whether and how an insurer's ERM framework reflects the relationship between the insurer's risk appetite, risk limits, regulatory capital requirements, economic capital and the processes and methods for monitoring risk?
    1. Assessment is always performed as part of the evaluation of the insurer's ERM framework.
    2. Assessment is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. Assessment is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.4 The supervisor requires the insurer to have a risk appetite statement that:

- **articulates the aggregate level and types of risk the insurer is willing to assume within its risk capacity to achieve its financial and strategic objectives, and business plan;**
- **takes into account all relevant and material categories of risk and their interdependencies within the insurer's current and target risk profiles; and**
- **is operationalised in its business strategy and day-to-day operations through a more granular risk limits structure.**

12. **How is the requirement** that insurers to produce a risk appetite statement **implemented** in YOUR JURISDICTION?
    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. There is no such requirement or communicated expectation. *SURVEY TOOL if selected,* ***SKIP*** *NEXT Qs (13&14)*

If you would like to elaborate on your response, please comment in the box below.

13. To what extent does YOUR AUTHORITY **consider** the following **factors** when assessing an insurer's risk appetite statement under an ERM framework.

	1. Always considered	2. Sometimes considered	3. Not considered
a. The risk appetite statement provides the insurer's Board with a coherent, holistic, concise and easily understood view of the insurer's risk appetite.			
b. The risk appetite statement adequately considers the risk capacity of the insurer given regulatory capital requirements, economic capital, liquidity, and the insurer's operational environment.			

c. The risk appetite statement includes appropriate qualitative statements as well as quantitative measures expressed relative to earnings, capital, risk management and other relevant measures as appropriate.			
d. The risk appetite statement gives clear guidance to operational management on the level of risk to which the insurer is prepared to be exposed and the limits of risk to which they are able to expose the insurer.			
e. The risk appetite statement defines group risk limits where there are any relevant and material group risks that it faces.			

If you would like to elaborate on your response, please comment in the box below.

14. **How often** does YOUR AUTHORITY assess an insurer's risk appetite statement to determine whether and how the insurer meets the requirements of the standard?
    1. Assessment is always performed as part of the evaluation of the insurer's ERM framework.
    2. Assessment is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. Assessment is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.5 The supervisor requires the insurer's ERM framework to include an explicit asset-liability management (ALM) policy which specifies the nature, role and extent of ALM activities and their relationship with product development, pricing functions and investment management.

15. **How is the requirement** that the insurer's ERM framework includes an explicit asset-liability management policy **implemented** in YOUR JURISDICTION?
    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Accepted or recommended by supervisory guidelines or other guidance which does not have force of law.

3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
4. There is no such requirement or communicated expectation. *SURVEY TOOL if selected, **SKIP** NEXT Qs (16&17)*

If you would like to elaborate on your response, please comment in the box below.

16. To what extent does YOUR AUTHORITY require insurers to **consider** the following **factors** when establishing an ALM policy under an ERM framework?

	1. Always required to consider	2. Sometimes required to consider	3. Not required to consider
a. How investment and liability strategies allow for interaction between assets and liabilities.			
b. How liability cash flows will be met by the cash inflows.			
c. How the economic valuation of assets and liabilities will change under a range of different scenarios.			
d. Whether any insurer off-balance sheet exposures or transferred risks may revert to the insurer and impact on ALM management.			
e. Whether some assets and liabilities should be ring-fenced to protect policyholders.			
f. Whether it may be necessary for the insurer to have separate and self-contained ALM policies for particular portfolios of assets that are ring-fenced.			
g. How liabilities with particularly long durations, such as certain types of liability insurance and whole-life policies and annuities should be managed.			
h. How legal restrictions that may apply to the treatment of assets and liabilities within the jurisdictions in which an insurance group operates may affect ALM.			

If you would like to elaborate on your response, please comment in the box below.

17. **How often** does YOUR AUTHORITY assess an insurer's ALM policy?

    1. Assessment is always performed as part of the evaluation of the insurer's ERM framework.
    2. Assessment is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. Assessment is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.6 The supervisor requires the insurer's ERM framework to include an explicit investment policy that:

- **addresses investment risk according to the insurer's risk appetite and risk limits structure;**
- **specifies the nature, role and extent of the insurer's investment activities and how the insurer complies with regulatory investment requirements; and**
- **establishes explicit risk management procedures with regard to more complex and less transparent classes of asset and investments in markets or instruments that are subject to less governance or regulation; and**
- **as necessary, includes a counterparty risk appetite statement.**

18. **How is the requirement** that the insurer's ERM framework to include an explicit investment policy **implemented** in YOUR JURISDICTION?

    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. There is no such requirement or communicated expectation. *SURVEY TOOL if selected, **SKIP** NEXT Qs (19&20)*

If you would like to elaborate on your response, please comment in the box below.

19. To what extent does YOUR AUTHORITY require insurers to **consider** the following **factors** when establishing an investment policy under an ERM framework?

	1. Always required to consider	2. Sometimes required to consider	3. Not required to consider
a. Whether the policy addresses investment risk according to the insurer's risk appetite and risk limits structure.			
b. Whether the policy specifies the nature, role and extent of the insurer's investment activities and how the insurer complies with regulatory investment requirements.			
c. Whether the policy establishes risk management procedures with regard to more complex and less transparent classes of asset and investments in markets or instruments that are subject to less governance or regulation.			

If you would like to elaborate on your response, please comment in the box below.

20. Does YOUR JURISDICTION require an insurer to **consider** the following **factors** as part of its investment policy:

	Yes	No
a. Its approach to the safe-keeping of assets including custodial arrangements and the conditions under which investments may be pledged or lent.		
b. Management of excessive asset concentration risk associated with investments.		
c. Management of credit risk.		
d. Management of any foreign exchange risk exposures associated with investments.		
e. Liquidity risk associated with investments.		

f. How the insurer intends to deal with inherently complex financial instruments (such as derivatives, hybrid instruments that embed derivatives, private equity, hedge funds, insurance linked instruments and commitments transacted through special purpose entities).		

If you would like to elaborate on your response, please comment in the box below.

21. Does YOUR AUTHORITY have **an established process in place** to determine the insurers in scope for the requirement to include a counterparty risk appetite statement?
    1. YOUR AUTHORITY has an established and documented process in place to determine the insurers in scope and is executing the process regularly.
    2. YOUR AUTHORITY has a less formal process in place to determine the insurers in scope.
    3. YOUR AUTHORITY has no process in place but uses judgement on a case-by-case basis.
    4. YOUR AUTHORITY does not determine the scope of the insurers subject to this requirement. *SURVEY TOOL if selected, **SKIP** NEXT Qs (22)*

If you would like to elaborate on your response, please comment in the box below.

22. For insurers subject to this requirement, **how often** does YOUR AUTHORITY review insurers to assess whether and how they have included a counterparty risk appetite statement?
    1. A review is always performed as part of the evaluation of the insurer's ERM framework.
    2. A review is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. A review is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.7 The supervisor requires the insurer's ERM framework to include an underwriting policy that addresses the:

- **insurer's underwriting risk according to the insurer's risk appetite and risk limits structure;**
- **nature of risks to be underwritten, including any material relationship with macroeconomic conditions; and**
- **interaction of the underwriting strategy with the insurer's reinsurance strategy and pricing.**

23. **How is the requirement** that the insurer's ERM framework to include an underwriting policy as described in the standard **implemented** in YOUR JURISDICTION?
    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. There is no such requirement or communicated expectation. *SURVEY TOOL if selected, **SKIP** NEXT Qs (24-26)*

24. To what extent does YOUR AUTHORITY require insurers to **include** the following when establishing an underwriting policy under an ERM framework?

	1. Always required to include	2.Sometimes required to include	3.Not required
a. insurer's underwriting risk according to the insurer's risk appetite and risk limits structure.			
b. nature of risks to be underwritten, including any material relationship with macroeconomic conditions.			
c. interaction of the underwriting strategy with the insurer's reinsurance strategy and pricing.			

If you would like to elaborate on your response, please comment in the box below.

25. Does YOUR JURISDICTION require an insurer to **consider** the following **factors** as part of its underwriting policy:

	Yes	No
a. Underwriting process, pricing, claims settlement and expense control (where applicable and relevant to the expenses of the underwriting process).		
b. The effectiveness of risk transfer, including ensuring that: • the insurer's reinsurance programme provides coverage appropriate to its level of capital, the profile of the risks it underwrites, its business strategy and risk appetite; and • the risk will not revert to the insurer in adverse circumstances.		
c. Product classes the insurer is willing to write, relevant exposure limits (eg geographical, counterparty, economic sector); and a process for setting underwriting limits.		
d. The potential impact on the insurer's financial position from material correlations between macroeconomic conditions and the insurance portfolio.		
e. How an insurer analyses emerging risks in the underwritten portfolio; and how emerging risks are considered in modifying underwriting practices.		
f. Interactions with the reinsurance strategy and associated credit risk.		

If you would like to elaborate on your response, please comment in the box below.

26. **How often** does YOUR AUTHORITY assess an insurer's underwriting policy?

1. Assessment is always performed as part of the evaluation of the insurer's ERM framework.
2. Assessment is sometimes performed as part of the evaluation of the insurer's ERM framework.
3. Assessment is performed in cases of actual or potential supervisory concerns.
4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.8 The supervisor requires the insurer's ERM framework to address liquidity risk and to contain strategies, policies and processes to maintain adequate liquidity to meet its liabilities as they fall due, in normal and stressed conditions.

27. **How is the requirement** that the insurer's ERM framework has to address liquidity risk and to contain strategies, policies and processes as described in the standard **implemented** in YOUR JURISDICTION?
    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. There is no such requirement or communicated expectation. *SURVEY TOOL if selected, **SKIP** NEXT Qs (28-30)*

28. To what extent does YOUR JURISDICTION require an insurer's ERM Framework to:

	1. Always required	2.Sometimes required	3.Not required
a. Address liquidity risk.			
b. Contain strategies, policies and processes to maintain adequate liquidity.			
c. Contain strategies policies and procedures that meet liquidity needs as they fall due, in normal and stressed conditions.			

If you would like to elaborate on your response, please comment in the box below.

29. Does YOUR JURISDICTION require an insurer to **consider** the following **factors** as part of the insurer's ERM framework addressing liquidity risk:

	Yes	No

a. Whether the insurer adequately assesses the liquidity of both its assets and its liabilities.		
b. Whether the insurer has well-defined processes and metrics in place, to assess its liquidity position at different time horizons on a regular basis.		
c. Whether liquidity analysis adequately covers both normal and stressed market conditions.		
d. Whether supervisory reporting of the insurer's liquidity risk management processes and analysis, including key assumptions or metrics, is adequate.		
e. Whether an insurance group's assessment results in a coherent view of liquidity risk across legal entities within the group.		

If you would like to elaborate on your response, please comment in the box below.

30. **How often** does YOUR AUTHORITY assess an insurer's liquidity risk and the strategies, policies and processes to maintain adequate liquidity to meet its liabilities as they fall due in normal and stressed conditions?

    1. Assessment is always performed as part of the evaluation of the insurer's ERM framework.
    2. Assessment is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. Assessment is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.9 The supervisor requires, as necessary, the insurer to establish more detailed liquidity risk management processes, as part of its ERM framework, that includes:

- **liquidity stress testing;**
- **maintenance of a portfolio of unencumbered highly liquid assets in appropriate locations;**
- **a contingency funding plan; and**
- **the submission of a liquidity risk management report to the supervisor.**

31. Does YOUR AUTHORITY have **an established process in place** to determine the insurers in scope for the requirement to establish more detailed liquidity risk management processes?

1. YOUR AUTHORITY has an established and documented process in place to determine the insurers in scope and is executing the process regularly.
2. YOUR AUTHORITY has a less formal process in place to determine the insurers in scope.
3. YOUR AUTHORITY has no process in place but uses judgement on a case-by-case basis.
4. YOUR AUTHORITY does not determine the scope of the insurers subject to this requirement. *SURVEY TOOL if selected, **SKIP** NEXT Qs (32&33)*

If you would like to elaborate on your response, please comment in the box below.

32. When YOUR JURISDICTION requires an insurer in scope to establish a more detailed liquidity risk management processes, which of the following **practices** can YOUR JURISDICTION require the insurer to implement as part of the ERM framework? [More than one response from 1 to 4 may be entered, where applicable.]

1. Liquidity stress testing.
2. A portfolio of unencumbered highly liquid assets in appropriate locations.
3. A contingency funding plan.
4. The submission of a liquidity risk management report to YOUR AUTHORITY.
5. None of the above.

If you would like to elaborate on your response, please comment in the box below.

33. **How often** does YOUR AUTHORITY review insurers subject to the more detailed liquidity risk management process requirements described above, to assess whether and how they are being addressed as part of the ERM framework?

1. A review is always performed as part of the evaluation of the insurer’s ERM framework.
2. A review is sometimes performed as part of the evaluation of the insurer’s ERM framework.
3. A review is performed in cases of actual or potential supervisory concerns.
4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.10 The supervisor requires the insurer to perform regularly its own risk and solvency assessment (ORSA) to assess the adequacy of its risk management and current, and likely future, solvency position.

34. **How is the requirement** that an insurer regularly performs its ORSA as described in the standard **implemented** in YOUR JURISDICTION?

    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. There is no such requirement or communicated expectation. *SURVEY TOOL if selected,* ***SKIP*** *NEXT Qs (35&36)*

35. Does YOUR AUTHORITY require the insurer to **document** the main outcomes, rationale, calculations and action plans arising from its ORSA?

    1. Yes, the insurer is required to document the main outcomes, rationale, calculations and action plans arising from its ORSA.
    2. Sometimes, but not always, the insurer is required to document the main outcomes, rationale, calculations and action plans arising from its ORSA.
    3. There is a communicated expectation that insurers document the main outcomes, rationale, calculations and action plans arising from its ORSA.
    4. No, there is no such requirement or expectation.

If you would like to elaborate on your response, please comment in the box below.

36. **How often** does YOUR AUTHORITY assess whether and how an insurer is regularly performing its ORSA to assess the adequacy of its risk management and current, and likely future, solvency position?

    1. An assessment is always performed as part of the evaluation of the insurer's ERM framework.
    2. An assessment is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. An assessment is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.11 The supervisor requires the insurer's Board and Senior Management to be responsible for the ORSA.

37. Does YOUR AUTHORITY **require** the insurer's Board and Senior Management to be responsible for the ORSA?
    1. Yes, fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Yes, required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Yes, expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. No, there is no such requirement or expectation. *SURVEY TOOL if selected,* ***SKIP*** *NEXT Q (38)*

38. Which of the following **factors** does YOUR AUTHORITY **consider** when evaluating whether an insurer's Board and Senior Management are taking responsibility for the ORSA?
    1. The Board adopts a rigorous process for setting, approving, and overseeing the effective implementation by Senior Management of the insurer's ORSA.
    2. The effectiveness of the ORSA is validated through internal or external independent overall review by a suitably experienced individual, where appropriate.
    3. All of the above.
    4. None of the above.

16.12 The supervisor requires the insurer's ORSA to:

- **encompass all reasonably foreseeable and relevant material risks including, at least, insurance, credit, market, concentration, operational and liquidity risks and (if applicable) group risk; and**
- **identify the relationship between risk management and the level and quality of financial resources needed and available;**

and, as necessary:

- **assess the insurer's resilience against severe but plausible macroeconomic stresses through scenario analysis or stress testing; and**
- **assess aggregate counterparty exposures and analyse the effect of stress events on material counterparty exposures through scenario analysis or stress testing.**

39. To what extent does YOUR AUTHORITY **require** an insurer's ORSA to address the following factors?

	1. Fully and explicitly required under legislation *or* generally required under legislation and elaborated through published supervisory guidelines	2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law	3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis	4. Not addressed
a. Encompass all reasonably foreseeable and relevant material risks including, at least, insurance, credit, market, concentration, operational and liquidity risks and (if applicable) group risk.				
b. Identify the relationship between risk management and the level and quality of financial resources needed and available.				

40. Does YOUR AUTHORITY have **an established process in place** to determine the insurers in scope for the requirement in the ORSA to assess the insurer's resilience against severe but plausible macroeconomic stresses through scenario analysis or stress testing?

    1. YOUR AUTHORITY has an established and documented process in place to determine the insurers in scope and is executing the process regularly.
    2. YOUR AUTHORITY has a less formal process in place to determine the insurers in scope.
    3. YOUR AUTHORITY has no process in place but uses judgement on a case-by-case basis.
    4. YOUR AUTHORITY does not determine the scope of the insurers subject to this requirement. *SURVEY TOOL if selected, **SKIP** NEXT Q (41)*

If you would like to elaborate on your response, please comment in the box below.

41. For insurers subject to this requirement, **how often** does YOUR AUTHORITY review insurers to assess whether and how they are assessing their resilience against macroeconomic stresses as part of the ORSA?

    1. A review is always performed as part of the evaluation of the insurer's ERM framework.
    2. A review is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. A review is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

42. Does YOUR AUTHORITY **have an established process in place** to determine the insurers in scope for the requirement to assess aggregate counterparty exposures and analyse the effect of stress events on material counterparty exposures through scenario analysis or stress testing?

    1. YOUR AUTHORITY has an established and documented process in place to determine the insurers in scope and is executing the process regularly.
    2. YOUR AUTHORITY has a less formal process in place to determine the insurers in scope.
    3. YOUR AUTHORITY has no process in place but uses judgement on a case-by-case basis.
    4. YOUR AUTHORITY does not determine the scope of the insurers subject to this requirement. *SURVEY TOOL if selected, **SKIP** NEXT Q (43)*

If you would like to elaborate on your response, please comment in the box below.

43. For insurers subject to this requirement, **how often** does YOUR AUTHORITY review insurers to assess whether and how they are assessing aggregate counterparty exposures and analysing the effect of stress events as part of the ORSA?

    1. A review is always performed as part of the evaluation of the insurer's ERM framework.
    2. A review is sometimes performed as part of the evaluation of the insurer's ERM framework.
    3. A review is performed in cases of actual or potential supervisory concerns.
    4. There is no such requirement or communicated expectation in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

16.13 The supervisor requires the insurer to:

- **determine, as part of its ORSA, the overall financial resources it needs to manage its business given its risk appetite and business plans;**
- **base its risk management actions on consideration of its economic capital, regulatory capital requirements, financial resources, and its ORSA; and**
- **assess the quality and adequacy of its capital resources to meet regulatory capital requirements and any additional capital needs.**

44. To what extent does YOUR AUTHORITY **require** an insurer to do the following?

	1. Always required	2.Sometimes required	3.Not required
a. Determine, as part of the ORSA, the overall financial resources they need to manage its business given its risk appetite and business plans.			
b. Base its risk management actions on consideration of its economic capital, regulatory capital requirements, financial resources, and its ORSA.			
c. Assess the quality and adequacy of its capital resources to meet regulatory capital requirements and any additional capital needs.			

If you would like to elaborate on your response, please comment in the box below.

45. In carrying out this work, does YOUR JURISDICTION require an insurer to do the following:

	Yes	No
a. Insurer considers the issue of re-capitalisation, especially the ability of capital to absorb losses on an ongoing basis and the extent to which the capital instruments or structures that the insurer uses may facilitate or hinder future re-capitalisation.		
d. Insurer assesses its ability to raise new capital considering potential impacts of different options on existing shareholders, and institutional governance.		

c. Insurer assesses its ability to raise new capital in both normal and stressed market conditions.		
d. Insurer considers key group wide factors that may impact on capital resources.		

If you would like to elaborate on your response, please comment in the box below.

16.14 The supervisor requires:

- **The insurer, as part of its ORSA, to analyse its ability to continue in business, and the risk management and financial resources required to do so over a longer time horizon than typically used to determine regulatory capital requirements; and**
- **The insurer's continuity analysis to address a combination of quantitative and qualitative elements in the medium and longer-term business strategy of the insurer and include projections of its future financial position and analysis of its ability to meet future regulatory capital requirements.**

46. To what extent does YOUR AUTHORITY **require** an insurer to do the following?

	1. Always required	2.Sometimes required	3.Not required
a. YOUR AUTHORITY requires the insurer, as part of its ORSA, to analyse its ability to continue in business, and the risk management and financial resources required to do so over a longer time horizon than typically used to determine regulatory capital requirements.			
b. YOUR AUTHORITY requires the insurer's continuity analysis to address a combination of quantitative and qualitative elements in the medium and longer-term business strategy of the insurer and include projections of its future financial position and analysis of its ability to meet future regulatory capital requirements.			

If you would like to elaborate on your response, please comment in the box below.

47. In carrying out this work, Does YOUR JURISDICTION require an insurer to do the following:

	Yes	No
a. Insurer establishes capital management plans and capital projections to determine how it could respond to unexpected changes in market and economic conditions, innovations in the industry and other factors.		
b. Where appropriate, the insurer undertakes periodic, forward-looking continuity analysis and modelling of its future financial position		
c. The insurer requires continuity analysis, capital and cash flow projections, and the proposed management actions to be approved by senior levels within the organization.		
d. Insurer continuity analysis includes reverse stress testing to identify scenarios that would be the likely cause of business failure.		
e. Insurers identify relevant countervailing measures and off-setting actions they could realistically take to restore/improve the insurer's capital adequacy or cash flow position after future stress events.		
f. Continuity analysis has an appropriate time horizon needed for effective business planning (for example, 3 to 5 years), which is longer than typically used to determine regulatory capital requirements.		
g. Continuity analysis assesses the ongoing support from the insurance group including the availability of financial support in adverse circumstances as group risks that may impact on the insurer		

If you would like to elaborate on your response, please comment in the box below.

16.15 The supervisor requires, as necessary, insurers to evaluate, in advance, their specific risks and options in possible recovery scenarios.

48. Does YOUR AUTHORITY have **an established process in place** to determine the insurers in scope for requiring insurers to evaluate, in advance, their specific risks and options in possible recovery scenarios?

1. YOUR AUTHORITY has an established and documented process in place to determine the insurers in scope and is executing the process regularly.
2. YOUR AUTHORITY has a less formal process in place to determine the insurers in scope.
3. YOUR AUTHORITY has no process in place but uses judgement on a case-by-case basis.
4. YOUR AUTHORITY does not determine the scope of the insurers subject to this requirement. *SURVEY TOOL if selected, **SKIP** NEXT Q (49)*

If you would like to elaborate on your response, please comment in the box below.

49. To what extent does YOUR AUTHORITY require insurers to evaluate in advance their specific risks and options in possible recovery scenarios?

	1. Fully and explicitly required	2.Addressed in general terms	3. Partly addressed	4. Not addressed
a. YOUR AUTHORITY requires insurers to establish recovery plans that identify options to restore the financial position and viability if the insurer comes under severe stress.				
b. YOUR AUTHORITY requires an insurer to provide necessary information to enable it to assess the robustness and credibility of any recovery plan required.				
c. YOUR AUTHORITY requires the insurer to review any recovery plan required on a regular basis, or when there are material changes to the insurer’s business, risk profile or structure, or any other change that could have a material impact on the recovery plan, and to update it when necessary.				

16.16 The supervisor undertakes reviews of the insurer's ERM framework, including the ORSA. Where necessary, the supervisor requires strengthening of the insurer's ERM framework, solvency assessment and capital management processes.

50. **How is the requirement** that YOUR AUTHORITY undertakes reviews of the insurer's ERM framework, including the ORSA i**mplemented** in YOUR JURISDICTION?

    1. Fully and explicitly required under legislation or generally required under legislation and elaborated through published supervisory guidelines.
    2. Required or recommended by accepted supervisory guidelines or other guidance which does not have force of law.
    3. Expectation is expressed by YOUR AUTHORITY on a case-by-case basis.
    4. There is no such requirement or expectation. *SURVEY TOOL if selected, **SKIP** NEXT Q (51-53)*

51. Does YOUR AUTHORITY undertake reviews of an insurer's ERM framework, including the ORSA?

    1. Yes, a review of an insurer's ERM framework, including the ORSA is always performed.
    2. Yes, a review of an insurer's ERM framework, including the ORSA is sometimes performed.
    3. Yes, a review of an insurer's ERM framework, including the ORSA is performed in cases of actual or potential supervisory concerns.
    4. No, there is no review. *SURVEY TOOL if selected, **SKIP** NEXT Q (52-53)*

52. To what extent does YOUR AUTHORITY review insurers' ERM framework, including ORSAs?

	1. Regularly reviewed	2. Sometimes reviewed	3. Reviewed in cases of actual or potential supervisory concerns	4. Not reviewed
a. YOUR AUTHORITY requires insurers to provide appropriate information in support of each component of the ERM framework, including ORSA and risk and solvency assessments to support the conduct of reviews.				
b. YOUR AUTHORITY reviews the insurer's internal controls and monitors its capital adequacy, requiring strengthening where necessary.				
c. YOUR AUTHORITY assesses the adequacy of the risk appetite statement				

and reviews the insurer's ORSA continuity analysis, taking action to address weaknesses where necessary.				
d. YOUR AUTHORITY monitors the techniques employed by the insurer for risk management and capital adequacy assessment and employs supervisory measures to address identified weaknesses.				
e. YOUR AUTHORITY monitors the material results of stress testing, scenario analysis and risk modelling and understands their key underlying assumptions.				
f. Where an insurer's risk management and solvency assessment and contingency planning are not considered adequate, YOUR AUTHORITY employs a range of corrective measures. This could be in the form of additional supervisory reporting or additional qualitative and quantitative requirements.				

53. To what extent do reviews of the insurer's ERM framework, including the ORSA, take into account whether an insurer is part of an insurance group?
    1. Reviews of the insurer's ERM framework, including the ORSA are conducted at both the group level and the legal entity level.
    2. Reviews of the insurer's ERM framework, including the ORSA do not exist at the group level, but those at the legal entity level explicitly take account whether an insurer is part of an insurance group.
    3. Reviews of the insurer's ERM framework, including the ORSA, do not exist at the group level, but those at the legal entity level broadly take account whether an insurer is part of an insurance group.
    4. Reviews of the insurer's ERM framework, including the ORSA, do not exist at the group level, and those at the legal entity level do not take whether an insurer is part of an insurance group.
    5. There are no requirements that YOUR AUTHORITY conduct reviews of ERM framework, including the ORSA, in YOUR JURISDICTION.
    6. This question is not applicable, because there are no insurance groups in YOUR JURISDICTION.

If you would like to elaborate on your response, please comment in the box below.

54. In the past, to what extent has YOUR AUTHORITY taken action to strengthen an insurer's ERM framework, including the ORSA, to address supervisory concerns and has the action been taken in a timely manner?
    1. Most concerns were resolved in a timely manner.
    2. Most concerns were resolved, but not always in a timely manner.
    3. Some concerns were resolved.
    4. Concerns were not resolved.
    5. This question is not applicable, because no such concerns arose. *SURVEY TOOL if selected, **SKIP** NEXT Q (55)*

55. To what extent does YOUR JURISDICTION require the insurer's ERM framework, including ORSA, to be supported by accurate documentation when identifying all reasonably foreseeable and relevant material risks and risk interdependencies for risk and capital management?

	1. Fully and explicitly required	2.Addressed in general terms	3. Partly addressed	4. Not addressed
a. Need for accurate documentation of the measurement of risk.				
b. Need for the documentation to include appropriately detailed descriptions and explanations of the risks covered.				
c. Need for the documentation to include appropriately detailed descriptions and explanations of the measurement approaches used.				

d. Need for the documentation to include appropriately detailed descriptions and explanations of the key assumptions made.				
e. Need for full documentation of ORSA process.				

Part II - Illustrative examples and optional questions

The following questions are asked in order to identify "illustrative examples" among the IAIS members. The responses are not used to assess the observance level in the assessment. YOUR AUTHORITY is encouraged to complete the questions in order to capture implemented practices concerning ICP 16.

56. As part of YOUR AUTHORITY's supervision, is there a formal mechanism for reviewing the effectiveness of an insurer's ERM framework for solvency purposes? Please briefly describe the approaches and the salient features adopted in YOUR JURISDICTION, in particular the mechanism that ensures the insurers' ERM framework fully addresses its risks in an ongoing and integrated manner. [Principle Statements]

57. In reflecting on the factors you use to determine whether to require insurers to perform stress testing to assess the resilience of their total balance sheet against macroeconomic stresses, can you give an example(s) of how YOUR AUTHORITY used these factors? [Standard 16.2]

58. Please provide examples of the circumstances under which YOUR AUTHORITY has required more detailed liquidity risk management processes as part of an insurer's ERM framework. Did this additional information or reporting satisfy your supervisory concerns? [Standard 16.9]

59. How is the ORSA incorporated into the solvency surveillance process of the insurer in YOUR JURISDICTION? [Standard 16.10]

60. The ORSA should be performed "regularly". How is "regularly" determined in YOUR JURISDICTION, such as, annually or less frequent? Is there a mandated deadline for the ORSA submission to YOUR AUTHORITY? Is the ORSA filed as part of the annual statement or a separate filing? [Standard 16.10]

61. How is the time horizon in an insurer's ERM framework, including ORSA, evaluated in YOUR JURISDICTION? If the time horizon for the prospective solvency assessment of the insurer is mandated, please provide the mandated length. [Guidance 16.14.6]

62. Has YOUR AUTHORITY required an insurer to evaluate, in advance, possible recovery scenarios to address adverse circumstances. If so, did this involve analysis of specific risks and recovery options and development of a recovery plan? [Standard 16.15]

63. What specific supervisory measures has YOUR AUTHORITY used to require an insurer to strengthen its ERM framework, solvency assessment and capital management processes? [Standard 16.16]

64. Can you describe how you determine whether the insurer's ERM framework is effective, particularly with respect to ORSA in YOUR JURISDICTION? In addition, how do you determine whether the insurer's ERM framework is sensitive to changing conditions and is part of the insurer's risk culture. [Guidance 16.16.3]

65. Are insurers in YOUR JURISDICTION required to use a mandated capital metric for solvency assessment in the ORSA? Please provide the capital metric if mandated. [Guidance 16.16.6]