



# IAIS

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INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

**IAIS Aggregate Report on  
Phase 1 Implementation Assessment of the  
G-SII Policy Measures and Supervisory Colleges**

**14 February 2018**

## **About the IAIS**

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions. The mission of the IAIS is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

Established in 1994, the IAIS is the international standard setting body responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation. The IAIS also provides a forum for Members to share their experiences and understanding of insurance supervision and insurance markets.

The IAIS coordinates its work with other international financial policymakers and associations of supervisors or regulators, and assists in shaping financial systems globally. In particular, the IAIS is a member of the Financial Stability Board (FSB), member of the Standards Advisory Council of the International Accounting Standards Board (IASB), and partner in the Access to Insurance Initiative (A2ii). In recognition of its collective expertise, the IAIS also is routinely called upon by the G20 leaders and other international standard setting bodies for input on insurance issues as well as on issues related to the regulation and supervision of the global financial sector.

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## Table of Acronyms

ACPR	Autorité de contrôle prudentiel et de résolution (French Prudential Supervision and Resolution Authority)
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority)
BoE	Bank of England
CIRC	China Insurance Regulatory Commission
CMG	Crisis Management Group
DNB	De Nederlandsche Bank (Bank of the Netherlands)
FIO	Federal Insurance Office
FRB	Federal Reserve Board of Governors and Federal Reserve System
FSB	Financial Stability Board
FSTC	Financial Stability and Technical Committee
G20	Group of Twenty Countries
G-SIFI	Global Systemically Important Financial Institution
G-SII	Global Systemically Important Insurer
GWS	Group-wide Supervisor
HLA	Higher Loss Absorbency or Higher Loss Absorption capacity
IAIS	International Association of Insurance Supervisors
IC	Implementation Committee
ICP	Insurance Core Principle
ICS	Insurance Capital Standard
LMP	Liquidity Management and Planning
NJDOBI	New Jersey Department of Banking and Insurance
NYSDFS	New York State Department of Financial Services
ORSA	Own Risk and Solvency Assessment
PRA	Prudential Regulation Authority
SAPR	Self-Assessment and Peer Review
SRMP	Systemic Risk Management Plan

## I. Introduction

1. In January 2016, the International Association of Insurance Supervisors (IAIS) adopted a three-phased approach for assessing the implementation of the supervisory policy measures for Global Systemically Important Insurers (G-SII) by group-wide supervisors (GWSs).<sup>1</sup> Under the phased approach, the intensity of assessments will increase over time:
  - Phase 1: Initiates an annual self-assessment by GWSs on progress in the development of supervisory colleges and implementation of G-SII policy measures in force;
  - Phase 2: Builds on the Phase 1 annual self-assessment with more intensive reviews on the consistency of the implementation of G-SII policy measures;<sup>2</sup> and
  - Phase 3: Assesses consistency in the outcomes of the implementation of the G-SII policy measures.
2. In line with the phased approach, the IAIS launched an initial self-assessment in 2017. This report captures the findings from this initial assessment and establishes the status of implementation of G-SII policy measures and supervisory colleges.
3. The Expert Team conducting the 2017 assessment consisted of Ekrem Sarper (USA, NAIC), Verena Meckel and Stephanie Siering (Germany, BaFin), David Kirkby (UK, BoE), Andrew Shaw (USA, FIO) and Jay Muska (USA, FRB). Their work was supported by Conor Donaldson, Carole Lin and Daisuke Hirose from the IAIS Secretariat.
4. The Expert Team finds that the overall implementation status appears positive. Almost all GWSs have established supervisory colleges for G-SIIs and the key functions described in Insurance Core Principle (ICP) 25 are widely performed. Also, the required elements of the Systemic Risk Management Plan (SRMP) and Liquidity Management and Planning (LMP) of G-SII policy measures generally are established through supervisory communication or existing regulatory tools. However, the Expert Team recognises that further phases of assessment are necessary to evaluate the consistency of implementation of the policy measures.
5. The Expert Team would like to acknowledge the support received from the former Implementation Committee (IC) and the Financial Stability and Technical Committee (FSTC).<sup>3</sup>

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<sup>1</sup> A description of G-SII policy measures (July 2013) is available at <https://www.iaisweb.org/page/supervisory-material/financial-stability-and-macroprudential-policy-and-surveillance/file/34256/final-g-siis-policy-measures-18-july-2013>. The G-SII policy measures were updated in February 2017 to reflect the postponement of the implementation of the Higher Loss Absorbency (HLA) standard so that it can be based on the Insurance Capital Standard (ICS) Version 2.0 – see <http://www.iaisweb.org/page/news/press-releases/file/65229/iais-press-release-systemic-risk-assessment-workplan>.

<sup>2</sup> While the Phase 2 assessment will be more rigorous than the Phase 1 annual self-assessment by GWSs, it will still be a horizontal assessment of G-SII jurisdictions, similar to the Phase 1 assessment. Phase 2 will focus more on the consistency of implementation of the G-SII policy measures by Members.

<sup>3</sup> The IC was renamed as the Implementation and Assessment Committee and the FSTC was resolved and succeeded by the Policy Development Committee and the Macroprudential Committee, following adoption of a new committee structure effective 1 January 2018.

## II. Scope and Methodology for Phase 1

6. The IAIS conducted the Phase 1 assessment with the participation of eight GWSs. These GWSs supervise nine G-SIIs, as identified by the FSB in November 2016.<sup>4</sup> The assessment was based on responses submitted by the GWSs to a questionnaire that was developed by the Expert Team.<sup>5</sup> The purpose of the assessment was to provide a baseline view of the current status of implementation of G-SII policy measures.

**Table 1: Participation**

Jurisdiction and GWS		G-SII identified in 2016
China	CIRC	Ping An Insurance (Group) Company of China, Ltd.
France	ACPR	Axa S.A.
Germany	BaFin	Allianz SE
Netherlands	DNB	Aegon N.V.
UK	PRA	Aviva plc, Prudential plc
US	FRB	Prudential Financial, Inc., American International Group, Inc.
US - NJ	NJDOBI	Prudential Financial, Inc.
US - NY	NYSDFS	American International Group, Inc., MetLife, Inc.

7. The framework of G-SII policy measures contains three main elements: 1) enhanced supervision, 2) effective resolution, and 3) Higher Loss Absorbency (HLA). The enhanced supervision and effective resolution elements are expected to have already been implemented by GWSs. Implementation of the HLA standard has been postponed to 2022 to be based on the Insurance Capital Standard (ICS) Version 2.0, and will apply to any G-SIIs identified in 2020.
8. For this assessment, the IAIS focused on the enhanced supervision element – specifically, the SRMP and LMP and the activities of supervisory colleges. Assessment of resolution and recovery is currently undertaken by the Financial Stability Board (FSB).
9. The questionnaire consisted of a total of 24 questions. The questions on supervisory colleges explore to which extent GWSs have established colleges and the key functions of those colleges, as described in standard 25.8 under ICP 25.<sup>6</sup> The questions on the SRMP and LMP examine whether GWSs require the G-SIIs to prepare these documents. If they do, whether all of the required elements are contained in these documents; if they do not, whether GWSs rely on other regulatory tools to require these elements.

<sup>4</sup> See <http://www.fsb.org/2016/11/fsb-publishes-2016-g-sii-list/>

<sup>5</sup> The questionnaire was also developed with the support of an external expert, Michael Hafeman.

<sup>6</sup> ICP 25 and Standard 25.8 are based on the version adopted by the IAIS in November 2015.

10. As Phase 1 is a self-assessment exercise, the Expert Team did not verify the responses provided by the GWSs.
11. For some US-domiciled G-SIIs, there were multiple supervisors involved. Each GWS was requested to submit an individual response. Results are presented by GWSs, rather than by jurisdictions.

### III. Key Findings and Detailed Results

#### Supervisory Colleges

12. Regarding supervisory colleges, the G20 made two recommendations for G-SIFIs, including G-SIIs:
- 1) Require supervisors to establish supervisory colleges for all major cross-border financial institutions as part of efforts to strengthen their surveillance of cross-border firms (2008 G20 Washington Summit);<sup>7</sup> and
  - 2) Require supervisors to address the root causes of the crisis by conducting rigorous risk assessments on G-SIFIs through international supervisory colleges (2010 G20 Seoul Summit).
13. Seven out of eight GWSs reported that a supervisory college for G-SIIs had been established. One GWS answered that a supervisory college has not been established since the cross-border business of the G-SII is very limited, but a Crisis Management Group (CMG) has been formed to enhance cooperation with other regulators within the jurisdiction.
14. Meetings of supervisory colleges for G-SIIs have been held regularly once or twice a year, including at least one in-person meeting annually held by the GWSs. One GWS reported that there are regional meetings in addition to a global college.
15. All GWSs that have established supervisory colleges for G-SIIs answered that the roles and functions of supervisory colleges were agreed and defined. Five out of seven GWSs have developed all of the supervisory college key functions for G-SIIs in line with ICP 25. One GWS reported that an “Assessment of intra-group relationship” is not included as part of the college activities for its G-SII(s). Two GWSs reported that “Specialisation, for example, special focus teams” is not included in their college activities.

**Table 2: Key functions of supervisory colleges**

Q7. To what extent do the key functions of the supervisory college include the following?	Yes *	No *
a. Information sharing	7	0
b. Assessment of risk exposures	7	0
c. Assessment of corporate governance, risk management and internal controls	7	0
d. Assessment of capital adequacy and other aspects of financial soundness	7	0
e. Assessment of intra-group relationships	6	1
f. Coordinated supervisory activities, for example, joint inspections	7	0
g. Specialisation, for example, special focus teams	5	2
h. Liaison with insurer management	7	0
i. Regular assessment of the effectiveness of coordination mechanisms	7	0

\* Number of responded GWSs

<sup>7</sup> G20 Leaders agreed at the London Summit in April 2009 to establish the remaining supervisory colleges for significant cross-border firms by June 2009, building on the 28 already in place to strengthen international cooperation.



## Systemic Risk Management Plan (SRMP)

16. In 2013, the IAIS published the SRMP Guidance for GWSs, which indicates how they should direct G-SIIs to develop SRMPs as defined in the G-SII policy measures.<sup>8</sup> The SRMP Guidance states that “all G-SIIs are required to produce SRMPs”. The SRMP Guidance provides a brief description of the key factors used in identifying the insurer as systemically important and a brief statement of how the insurer plans to respond to this status. It also includes an explanation of how a G-SII should elaborate on its strategy for managing, mitigating or reducing its overall potential systemic risk impact.
17. In the questionnaire, the GWSs were asked to identify the extent to which the SRMP requirements (as described in the SRMP Guidance) have been implemented, through either a stand-alone document or other means.
18. Five GWSs require an SRMP document and the SRMP requirements were established through communication with their G-SIIs and/or dissemination of the IAIS SRMP Guidance. Three GWSs require their G-SIIs to produce most of the SRMP elements through multiple regulatory tools and documents, such as an Own Risk and Solvency Assessment (ORSA) report, instead of a single SRMP document.
19. Regarding the required elements detailed in the SRMP Guidance, almost all of the elements are required through SRMP documents and/or other existing regulatory tools. Two GWSs reported that “a brief description of the key factors that resulted in its being identified as a G-SII” is not required. In addition, more than half of the GWSs do not include “a brief explanation of the Recovery Triggers that require a reassessment of Recovery Plans” in a SRMP, as it is discussed within the CMG.

**Table 3: Elements described in SRMP guidance**

Q11. Does YOUR AUTHORITY require the following elements described in the IAIS guidance on SRMP in either the SRMP document or through other means?	Yes, SRMP	Yes, Other means	No
a. A brief description of the key factors that resulted in its being identified as a G-SII.	5	1	2
b. A brief statement of how it plans to respond to its identification, including an explanation of its strategy for managing, mitigating or reducing its systemic importance.	5	2	1
c. A reference to its liquidity management planning (eg, as documented in a liquidity management plan) in order to explain how the G-SII intends to manage potential higher liquidity risks.	5	3	0
d. A reference to its recovery plan and how that plan would mitigate the systemic risks in a potential recovery situation.	5	3	0
e. An outline of its intra-group financial transactions, including especially guarantees as well as reinsurance/retrocession granted within a group, with respect to its effects on the overall risk and risk distribution.	5	3	0

<sup>8</sup> SRMP guidance paper is available at <https://www.iaisweb.org/page/supervisory-material/financial-stability-and-macroprudential-policy-and-surveillance/file/34255/iais-srmp-guidance-final-20-december-2013>.

Q11. Does YOUR AUTHORITY require the following elements described in the IAIS guidance on SRMP in either the SRMP document or through other means?	Yes, SRMP	Yes, Other means	No
f. A description of linkages to other measures that are related to the plans to manage, mitigate or reduce its systemic risk	5	2	1
g. A brief explanation of the Recovery Triggers that require a reassessment of Recovery Plans.	3	5	0
h. A statement that G-SII's Board of Directors, Supervisory Board (if relevant) and their relevant subcommittees have approved the plan	5	2	1

20. With respect to those SRMP elements which are dependent on a GSII's strategy, the GWSs require almost all elements to be identified via an SRMP document and/or through other regulatory means. Three GWSs reported that "details about the envisaged timeline and the measures to be taken in order to achieve the separation" is not required if the G-SII's strategy involves the effective separation of activities related to systemic risk from insurance product features.

**Table 4: Elements described in the SRMP Guidance, depending on the G-SII decision**

Q13. To address systemic importance, does YOUR AUTHORITY require G-SIIs to include the following elements in either the SRMP document or through other means where relevant?	Yes, SRMP	Yes, Other means	No
a. If the G-SII decides to continue or grow any or all of the systemically risky activities – an explanation of how these activities, and the amount of those activities, are adequately managed or mitigated, so as to address their potential for resulting in systemic impact on the financial system or the overall economy.	5	2	1
b. If the G-SII decides to reduce or discontinue any or all of the systemically risky activities – a planned timeline for doing so.	3	2	2
c. If the G-SII's strategy is to raise additional capital – a plan for how and when it will accomplish this objective.	3	4	1
d. If the G-SII's strategy involves the effective separation of activities related to systemic risk from insurance product features – details about the envisaged timeline and the measures to be taken in order to achieve the separation.	3	1	3

21. Six GWSs review the required SRMP elements and invite reviews from other supervisory authorities as relevant. In addition, all of these six GWSs noted that reviews on the SRMP elements are conducted through CMG activities. The other two GWSs answered that review of the SRMP elements is "not applicable", but they share information with relevant supervisory authorities upon request and subject to confidentiality agreements.

## Liquidity Management Planning (LMP)

22. The IAIS published LMP Guidance in 2014, which indicates how GWS should direct G-SIIs to develop plans for their liquidity management.<sup>9</sup> The LMP Guidance is principles-based and outlines key supervisory features expected in a G-SII’s liquidity management planning, which should complement any existing liquidity arrangements.
23. Similar to the questions on the SRMP requirements, the questionnaire asked GWSs about the extent to which the LMP requirements had been established, either as a stand-alone document or through other means.
24. Five GWSs require an LMP document and in those cases the LMP requirements were established through communication with G-SIIs and/or dissemination of the IAIS LMP Guidance. Three GWSs require the LMP elements through existing multiple regulatory documents rather than a single LMP document. One of these three GWSs reported that almost all elements are required by existing guidance or supervisory tools. Another GWS commented that the requirements were established under existing legislation.
25. With respect to the application of elements as described in the LMP Guidance, nearly all elements were established via an LMP document and/or existing regulatory documents. However, two GWSs reported that the two elements listed below currently are not required:
- Include and explain the role of any mitigating conditions, measures or management actions that could impact the liquidity risk of the insurer. In particular, any assumptions relating to “monetisation” of future cash flows need to be justified; and
  - Provide results before and after the application of risk mitigating measures, and the resilience of these measures under stressed conditions.

**Table 5-1: Elements described in LMP Guidance**

Q20. Does YOUR AUTHORITY require G-SIIs to address the following elements described in the IAIS LMP guidance in either the LMP document or through other means?	Yes, LMP	Yes, Other means	No
<b>a. Establish and maintain a policy for the day-to-day and long-term management of liquidity risk</b>	-	-	-
<ul style="list-style-type: none"> <li>• State the G-SII’s risk tolerance in regard to liquidity, including quantitative targets, such as excess liquidity and liquidity coverage ratio, and qualitative objectives</li> </ul>	5	3	0
<ul style="list-style-type: none"> <li>• Explain how it ties in with the insurer’s overall risk tolerance</li> </ul>	4	3	1
<ul style="list-style-type: none"> <li>• Explain how breaches of targets are escalated within the group</li> </ul>	5	3	0
<b>b. Liquidity sources and liquidity needs</b>	-	-	-
<ul style="list-style-type: none"> <li>• Address how assumptions and expert judgment under normal and stressed conditions (eg, market haircuts, management decisions like capital repatriations and dividends) are documented and justified</li> </ul>	4	3	1

<sup>9</sup> The LMP guidance paper is available at <https://www.iaisweb.org/page/supervisory-material/financial-stability-and-macroprudential-policy-and-surveillance/file/47800/liquidity-guidance-final>.

Q20. Does YOUR AUTHORITY require G-SIIs to address the following elements described in the IAIS LMP guidance in either the LMP document or through other means?	Yes, LMP	Yes, Other means	No
<ul style="list-style-type: none"> <li>Address responsibility for decisions on critical assumptions</li> </ul>	5	3	0
<ul style="list-style-type: none"> <li>Address the nature of risk tolerance</li> </ul>	4	3	1
<ul style="list-style-type: none"> <li>Address responsibility for contingency funding plans</li> </ul>	5	2	1
<ul style="list-style-type: none"> <li>Communicate the policy with all relevant functions within the insurer</li> </ul>	5	3	0
<b>c. Approval by the G-SII’s Board of the liquidity risk policy and responsibility for its effectiveness on an on-going basis, as well as liquidity contingency funding plans</b>	5	3	0
<b>d. Management of liquidity risk</b>	-	-	-
<ul style="list-style-type: none"> <li>Establish and document a clear allocation of responsibilities regarding the management of liquidity risk, including reporting lines</li> </ul>	5	3	0
<ul style="list-style-type: none"> <li>Document internal controls and governance requirements related to liquidity</li> </ul>	5	3	0
<b>e. Demonstrate how the liquidity risk policy is applied, in particular how it integrates into the risk management of the firm and how it informs business decisions (“use test”).</b>	4	3	0
<b>f. Liquidity gap analysis</b>	-	-	-
<ul style="list-style-type: none"> <li>Include a projection over time of liquidity sources under current conditions and future stress scenarios (based on the insurer’s liquidity sources).</li> </ul>	5	3	0
<ul style="list-style-type: none"> <li>Include a projection over time of liquidity needs under current conditions and future stress scenarios should consider such situations as high rates of surrenders, cancellations or lapses, at the legal entity level and – where applicable - acceleration of liquidity needs at the group level (eg, holding company obligation to repay its loans due to a credit rating trigger).</li> </ul>	5	2	1
<ul style="list-style-type: none"> <li>Include projections of both liquidity availability and needs must be based on consistent assumptions.</li> </ul>	5	3	0
<b>g. Require G-SIIs to substantiate that the contingency funding plans are reasonable and have a likelihood of success under stressed conditions</b>	4	3	1
<b>h. Multiple time horizons</b>	-	-	-
<ul style="list-style-type: none"> <li>Make appropriate time intervals and overall time horizon appropriate for the business model</li> </ul>	5	3	0
<ul style="list-style-type: none"> <li>Liquidity sources and liquidity needs under different time horizons and scenarios</li> </ul>	5	3	0
<ul style="list-style-type: none"> <li>Encourage G-SIIs to use a number of time horizons; particularly short term (which addresses the potential problems in collateral margin, money market funds freeze risk, etc.) and long term (which could be one year or longer)</li> </ul>	5	3	0
<ul style="list-style-type: none"> <li>Identify early warning indicators that could be expressed as coverage ratios or other quantitative criteria</li> </ul>	5	3	0

Q20. Does YOUR AUTHORITY require G-SIIs to address the following elements described in the IAIS LMP guidance in either the LMP document or through other means?	Yes, LMP	Yes, Other means	No
<b>i. Take into account additional considerations, such as:</b> <ul style="list-style-type: none"> <li>• Target liquidity maintenance levels, i.e. minimum standard, that an insurer sets for its liquidity management and planning</li> <li>• Capital planning: capital repatriation, dividends, etc.</li> <li>• Haircuts applied to securities under current and stressed conditions for use in funding and sale</li> <li>• Other liquidity risk metrics that are of specific interest to internal management or supervisors</li> </ul>	5	3	0
<b>j. Include and explain the role of any mitigating conditions, measures or management actions that could impact the liquidity risk of the insurer. In particular, any assumptions relating to “monetisation” of future cash flows need to be justified</b>	4	2	2
<b>k. Provide results before and after application of risk mitigating measures, and the resilience of these measures under stressed conditions</b>	4	2	2

26. All GWSs meet the expectations for establishing reporting requirements as described in the LMP Guidance. The Expert Team notes that more than half of the GWSs require liquidity reporting through means other than an LMP document.

**Table 6: Reporting requirement of LMP**

Q22. In respect to reporting, does YOUR AUTHORITY require G-SIIs to address the following elements described in the IAIS LMP guidance in either the LMP document or through other means?	Yes, LMP	Yes, Other means	No
a. Report at least annually on its liquidity management and planning	4	4	0
b. Report more frequently in the event of any major changes to its policy or liquidity risk profile	2	6	0
c. Respond to ad-hoc requests from the GWS on its current liquidity condition at any time	2	6	0

27. With respect to information exchange with other supervisors, all GWSs share relevant information from the LMP with other supervisory authorities. Five GWSs reported that relevant information is shared through the respective G-SII CMGs.

## IV. Annex: Questionnaire

### Information about YOUR AUTHORITY

1. Please enter YOUR JURISDICTION name.
  
2. Please enter YOUR AUTHORITY name.
  
3. Please enter the name, position and email address of the contact person for this survey.
  
4. For which of the following G-SIIs identified in 2016 by the FSB is YOUR AUTHORITY the GWS? (More than one response may be entered, where applicable.)
  1. Aegon N.V.
  2. Allianz SE
  3. American International Group, Inc.
  4. Aviva plc
  5. Axa S.A.
  6. MetLife, Inc.
  7. Ping An Insurance (Group) Company of China, Ltd.
  8. Prudential Financial, Inc.
  9. Prudential plc

## Supervisory Colleges

The G20 made two recommendations relating to supervisory colleges for G-SIFIs (1) that all G-SIFIs will have a supervisory college and (2) that the supervisory colleges will conduct rigorous risk assessments.

The IAIS is taking over responsibility for reporting on implementation of these recommendations from the FSB's Implementation Monitoring Network post-2017. The questions below are informed by ICP 25<sup>10</sup>. Implementation of requirements related to Crisis Management Groups are reported separately through the FSB.

5. Where YOUR AUTHORITY is the designated GWS for a G-SII, is a supervisory college in place?
1. Yes
  2. No

If yes, please elaborate on:

When the supervisory college was established;

How often the college is held; and

When the most recent supervisory college was held

Comment Box:

If no, please elaborate on plans to establish a supervisory college

Comment Box:

6. Where YOUR AUTHORITY is the GWS for the G-SII, have you acted as the key coordinator or chair of the supervisory college?
1. Yes
  2. No

If no, please elaborate on the reason why YOUR AUTHORITY as the GWS does not act as the key coordinator or chair of the supervisory college.

Comment Box:

<sup>10</sup> See FSB <http://www.fsb.org/what-we-do/implementation-monitoring/> for information on FSB monitoring and <https://www.iaisweb.org/page/supervisory-material/icp-on-line-tool> for ICP 25.

7. Has YOUR AUTHORITY agreed and defined the roles and functions<sup>11</sup> of the supervisory college for G-SIIs?

If yes, to what extent do the key functions of the supervisory college include the following?

	Yes	No
a. Information sharing		
b. Assessment of risk exposures		
c. Assessment of corporate governance, risk management and internal controls		
d. Assessment of capital adequacy and other aspects of financial soundness		
e. Assessment of intra-group relationships		
f. Coordinated supervisory activities, for example, joint inspections		
g. Specialisation, for example, special focus teams		
h. Liaison with insurer management		
i. Regular assessment of the effectiveness of coordination mechanisms		

If the roles and functions have not been agreed and defined by YOUR AUTHORITY please elaborate in the below comment box.

Comment Box:
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<sup>11</sup> Some of key functions that should be included in a supervisory college are identified in the guidance under 25.8.11 – 25.8.15 <https://www.iaisweb.org/page/supervisory-material/icp-on-line-tool>



## Systemic Risk Management Plan

The IAIS *Guidance on Systemic Risk Management Plans* states, “all G-SIIs are required to produce SRMPs... (The Paper) provides guidance to GWS on how they would direct applicable G-SIIs to develop SRMPs.”

It is recognised for the purpose of this survey that the requirements of an SRMP may be established through other means. Comment boxes in the questions below provide an opportunity for elaboration on the circumstances in YOUR JURISDICTION.

8. Does YOUR AUTHORITY require an SRMP document?

1. Yes
2. No

If no, please elaborate whether there are plans to establish an SRMP document

Comment Box:

9. If YOUR AUTHORITY does not require an SRMP document, does YOUR AUTHORITY use other means to require G-SIIs to have in place the elements of the SRMP?

1. Yes
2. No

10. How have requirements related to an SRMP for G-SIIs been established in YOUR JURISDICTION (eg, through legislation, supervisory guidelines, dissemination of IAIS guidance, and communication with G-SIIs)?

Comment Box:

11. Does YOUR AUTHORITY require the following elements described in the IAIS guidance on SRMP in either the SRMP document or through other means?

	Yes SRMP	Yes Other Means	No
a. A brief description of the key factors that resulted in its being identified as a G-SII.			
b. A brief statement of how it plans to respond to its identification, including an explanation of its strategy for managing, mitigating or reducing its systemic importance.			
c. A reference to its liquidity management planning (eg, as documented in a liquidity management plan) in order to explain how the G-SII intends to manage potential higher liquidity risks.			

	Yes SRMP	Yes Other Means	No
d. A reference to its recovery plan and how that plan would mitigate the systemic risks in a potential recovery situation.			
e. An outline of its intra-group financial transactions, including especially guarantees as well as reinsurance/retrocession granted within a group, with respect to its effects on the overall risk and risk distribution.			
f. A description of linkages to other measures that are related to the plans to manage, mitigate or reduce its systemic risk.			
g. A brief explanation of the Recovery Triggers that require a reassessment of Recovery Plans.			
h. A statement that G-SII's Board of Directors, Supervisory Board (if relevant) and their relevant subcommittees have approved the plan.			

12. If you answered Other Means in Question 11 or if you are not able to answer due to structural, legal or institutional issues within your jurisdiction or as part of your authorities as a GWS, please elaborate

Comment Box:

13. To address systemic importance, does YOUR AUTHORITY require G-SIIs to include the following elements in either the SRMP document or through other means where relevant?

	Yes SRMP	Yes Other Means	No
a. If the G-SII decides to continue or grow any or all of the systemically risky activities – an explanation of how these activities, and the amount of those activities, are adequately managed or mitigated, so as to address their potential for resulting in systemic impact on the financial system or the overall economy.			
b. If the G-SII decides to reduce or discontinue any or all of the systemically risky activities – a planned timeline for doing so.			
c. If the G-SII's strategy is to raise additional capital – a plan for how and when it will accomplish this objective.			
d. If the G-SII's strategy involves the effective separation of activities related to systemic risk from insurance product features <sup>12</sup> – details about the envisaged timeline and the measures to be taken in order to achieve the separation.			

<sup>12</sup> For a description of systemic risk from insurance product features, see: <https://www.iaisweb.org/page/supervisory-material/financial-stability-and-macroprudential-policy-and-surveillance/file/61174/systemic-risk-from-insurance-product-features>

14. If you answered Other Means in Question 13 or if you are not able to answer due to structural, legal or institutional issues within your jurisdiction or as part of your authorities as a GWS, please elaborate

Comment Box:

15. Does YOUR AUTHORITY review the draft SRMP and the proposed measures for addressing systemic importance?

1. Yes
2. No
3. Not applicable

Comment Box:

16. Does YOUR AUTHORITY invite reviews of the SRMP from other supervisory authorities as relevant?

1. Yes
2. No
3. Not applicable

Please elaborate on how you address the reviews with other supervisory authorities

Comment Box:

## Liquidity Management and Planning

The IAIS *Guidance on Liquidity Management and Planning* states G-SIIs should have, “adequate arrangements in place to plan for and manage liquidity risk for the whole group... (The Paper) provides guidance to group-wide supervisors in the application of these requirements to G-SIIs. The guidance is principles-based and outlines the key supervisory features that would be expected in the liquidity management planning of a G-SII”

It is recognised for the purpose of this assessment that the requirements of an LMP may be established through other means than an LMP document. Comment boxes in the questions below provide an opportunity for elaboration on the circumstances in YOUR JURISDICTION.

17. Does YOUR AUTHORITY require an LMP document?

1. Yes
2. No

If no, please elaborate below on whether there are plans to establish the LMP document

Comment Box:

18. If YOUR AUTHORITY does not require an LMP document, does YOUR AUTHORITY use other means to require G-SIIs to have in place the elements for LMP for G-SIIs?

1. Yes
2. No

19. How have requirements related to an LMP for G-SIIs been established in YOUR JURISDICTION (eg, through legislation, supervisory guidelines, dissemination of IAIS guidance, and communication with G-SIIs)?

Comment Box:

20. Does YOUR AUTHORITY require G-SIIs to address the following elements described in the IAIS LMP guidance in either the LMP document or through other means?

	Yes LMP	Yes Other Means	No
<b>a. Establish and maintain a policy for the day-to-day and long-term management of liquidity risk.</b>			
<ul style="list-style-type: none"> <li>• State the G-SII’s risk tolerance in regard to liquidity, including quantitative targets, such as excess liquidity and liquidity coverage ratio, and qualitative objectives.</li> </ul>			
<ul style="list-style-type: none"> <li>• Explain how it ties in with the insurer’s overall risk tolerance.</li> </ul>			

	Yes LMP	Yes Other Means	No
<ul style="list-style-type: none"> <li>Explain how breaches of targets are escalated within the group.</li> </ul>			
<b>b. Liquidity sources and liquidity needs</b>			
<ul style="list-style-type: none"> <li>Address how assumptions and expert judgment under normal and stressed conditions (eg, market haircuts, management decisions like capital repatriations and dividends) are documented and justified.</li> </ul>			
<ul style="list-style-type: none"> <li>Address responsibility for decisions on critical assumptions</li> </ul>			
<ul style="list-style-type: none"> <li>Address the nature of risk tolerance</li> </ul>			
<ul style="list-style-type: none"> <li>Address responsibility for contingency funding plans</li> </ul>			
<ul style="list-style-type: none"> <li>Communicate the policy with all relevant functions within the insurer</li> </ul>			
<b>c. Approval by the G-SII's Board of the liquidity risk policy and responsibility for its effectiveness on an on-going basis, as well as liquidity contingency funding plans.</b>			
<b>d. Management of liquidity risk</b>			
<ul style="list-style-type: none"> <li>Establish and document a clear allocation of responsibilities regarding the management of liquidity risk, including reporting lines</li> </ul>			
<ul style="list-style-type: none"> <li>Document internal controls and governance requirements related to liquidity</li> </ul>			
<b>e. Demonstrate how the liquidity risk policy is applied, in particular how it integrates into the risk management of the firm and how it informs business decisions ("use test").</b>			
<b>f. Liquidity gap analysis</b>			
<ul style="list-style-type: none"> <li>Include a projection over time of liquidity sources under current conditions and future stress scenarios (based on the insurer's liquidity sources).</li> </ul>			
<ul style="list-style-type: none"> <li>Include a projection over time of liquidity needs under current conditions and future stress scenarios should consider such situations as high rates of surrenders, cancellations or lapses, at the legal entity level and – where applicable - acceleration of liquidity needs at the group level (eg, holding company obligation to repay its loans due to a credit rating trigger).</li> </ul>			
<ul style="list-style-type: none"> <li>Include projections of both liquidity availability and needs must be based on consistent assumptions.</li> </ul>			
<b>g. Require G-SIIs to substantiate that the contingency funding plans are reasonable and have a likelihood of success under stressed conditions.</b>			
<b>h. Multiple time horizons</b>			
<ul style="list-style-type: none"> <li>Make appropriate time intervals and overall time horizon appropriate for the business model.</li> </ul>			

	Yes LMP	Yes Other Means	No
<ul style="list-style-type: none"> <li>Liquidity sources and liquidity needs under different time horizons and scenarios</li> </ul>			
<ul style="list-style-type: none"> <li>Encourage G-SIIs to use a number of time horizons; particularly short term (which addresses the potential problems in collateral margin, money market funds freeze risk, etc.) and long term (which could be one year or longer).</li> </ul>			
<ul style="list-style-type: none"> <li>Identify early warning indicators that could be expressed as coverage ratios or other quantitative criteria</li> </ul>			
<b>i. Take into account additional considerations, such as:</b> <ul style="list-style-type: none"> <li>Target liquidity maintenance levels, i.e. minimum standard, that an insurer sets for its liquidity management and planning</li> <li>Capital planning: capital repatriation, dividends, etc.</li> <li>Haircuts applied to securities under current and stressed conditions for use in funding and sale</li> <li>Other liquidity risk metrics that are of specific interest to internal management or supervisors</li> </ul>			
<b>j. Include and explain the role of any mitigating conditions, measures or management actions that could impact the liquidity risk of the insurer. In particular, any assumptions relating to “monetisation” of future cash flows need to be justified.</b>			
<b>k. Provide results before and after application of risk mitigating measures, and the resilience of these measures under stressed conditions.</b>			

21. If you answered Other Means in Question 20 or if you are not able to answer due to structural, legal or institutional issues within your jurisdiction or as part of your authorities as a GWS, please elaborate

Comment Box:
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22. In respect to reporting, does YOUR AUTHORITY require G-SIIs to address the following elements described in the IAIS LMP guidance in either the LMP document or through other means?

	Yes LMP	Yes Other Means	No
a. Report at least annually on its liquidity management and planning.			
b. Report more frequently in the event of any major changes to its policy or liquidity risk profile.			
c. Respond to ad-hoc requests from the GWS on its current liquidity condition at any time.			

23. If you answered Other Means in Question 22 or if you are not able to answer due to structural, legal or institutional issues within your jurisdiction or as part of your authorities as a GWS, please elaborate

Comment Box:

24. Does YOUR AUTHORITY share relevant information from the LMP with other supervisory authorities as relevant?

1. Yes
2. No

Comment Box: