



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

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**Public**

## Compiled Comments from Members on *Consultation on ComFrame material integrated with ICP 25*

03-Mar-17 to 01-Jun-17

Organisation	Jurisdiction	Answer	Answer Comments
<b>31 - Q31 General Comment on ComFrame material in ICP 25</b>			
22. Bank Negara Malaysia	Malaysia	No comments.	
<b>32 - Q32 Comment on Introductory Guidance ICP 25.0.1</b>			
<b>33 - Q33 Comment on Introductory Guidance ICP 25.0.2</b>			
<b>34 - Q34 Comment on Introductory Guidance ICP 25.0.3</b>			
23. Komisja Nadzoru Finansowego - KNF (Polish Financial Supervision Authority)	Poland	<p>According to Solvency II directive – preamble (107)</p> <p>All supervisors involved in group supervision should be able to understand the decisions made, in particular where those decisions are made by the group supervisor. As soon as it becomes available to one of the supervisors, the relevant information should therefore be shared with the other supervisors, in order for all supervisors to be able to establish an opinion based on the same relevant information.</p> <p>According to the Polish Act on insurance and reinsurance activity the decisions regarding the insurance group should be made by the group supervisor after consulting the other supervisory authorities concerned.</p> <p>Suggested change: The group-wide supervisor should facilitate and lead the cooperation and coordination between the other involved supervisors, consult the other supervisory authorities concerned while making decisions regarding the insurance group and ensure all supervisors involved are able to understand the supervisory decisions made by the group-wide supervisor.</p>	
<b>35 - Q35 Comment on Introductory Guidance ICP 25.0.4</b>			
<b>36 - Q36 Comment on Introductory Guidance ICP 25.0.5</b>			
24. National Association of Insurance Commissioners (NAIC)	USA, NAIC	For guidance 25.0.5 to 25.0.8, It is unclear what is intended by, or what value is achieved, through an assessment of supervisory recognition, given the content of the rest of ICP 25. Additionally, ICP 25.0.7 appears to assume an ongoing assessment of supervisory recognition, which seems to add uncertainty about the effect of recognition of a group-wide supervisor. It is also unclear how these paragraphs relate to Standard 25.1 and the list of objective factors under ICP 25.1.2 which should perhaps take precedence over a subjective assessment of recognition.	
<b>37 - Q37 Comment on Introductory Guidance ICP 25.0.6</b>			
25. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See comment on 25.0.5	

<b>43 - Q43 Comment on Guidance CF25.1a.1</b>			
32. National Association of Insurance Commissioners (NAIC)	USA, NAIC	CF 25.1a.1 should be deleted. The IAIS has identified a narrow set of specific powers the group-wide supervisor should be able to apply directly to the Head of the IAIG. As written, this suggests a much broader expectation on direct powers in ComFrame which is not appropriate. Additionally, as this is the only ComFrame guidance on this topic, it seems to overemphasize this factor in determining who should be the group-wide supervisor for an IAIG.	
<b>70 - Q70 Comment on Standard CF25.6a</b>			
57. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Supervisors should be able to hold a supervisory college anytime they deem it necessary. A static requirement of holding supervisory colleges at least annually because a group is an IAIG appears overly prescriptive and not risk-based. If a supervisory college meeting is not necessary one year, why should the involved supervisors and the firm undergo the cost, time and effort simply to observe ComFrame?	
<b>71 - Q71 Standard CF25.6a</b>			
<b>Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?</b>			
59. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
61. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Partially	U.S. state insurance regulators have the power to establish and participate in group-wide supervision, including supervisory colleges; however, there is no specific requirement for colleges to meet at least annually.
<b>72 - Q72 Standard CF25.6a</b>			
<b>What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q71 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
63. National Association of Insurance Commissioners (NAIC)	USA, NAIC	This is difficult to estimate since most states are able to recoup travel expenses related to participation in supervisory colleges.	
<b>73 - Q73 Standard CF25.6a</b>			
<b>What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q71 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
65. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q72.	

<b>74 - Q74 Standard CF25.6a</b>			
Please provide the assumptions made to estimate the one-time costs (Q72) and the ongoing costs per year (Q73).			
67. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q72.	
<b>75 - Q75 Standard CF25.6a</b>			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
70. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	A static requirement of holding supervisory colleges at least annually because a group is an IAIG appears overly prescriptive and not risk based. If a supervisory college meeting is not necessary one year, why should the supervisors and the firm undergo the cost, time and effort simply to observe ComFrame? U.S. state insurance regulators are able to hold a supervisory college anytime they deem it necessary.
<b>76 - Q76 Comment on Guidance CF25.6a.1</b>			
<b>77 - Q77 Comment on Guidance CF25.6a.2</b>			
71. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Guidance CF25.6a.2 to .4 should be moved to guidance in the ICP as these paragraphs seem relevant to any supervisory college, not just ones for IAIGs.	
<b>78 - Q78 Comment on Guidance CF25.6a.3</b>			
72. Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Germany - BAFIN	Please add "and its outcome" so it reads "The group-wide supervisor should ensure that the IAIG supervisory college discusses the most relevant elements of the group-wide supervisory process and its outcome and the supervisory plan."	
73. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See comment on CF25.6a.2	
<b>79 - Q79 Comment on Guidance CF25.6a.4</b>			
74. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See comment on CF25.6a.2	
<b>80 - Q80 Comment on Standard CF25.6b</b>			
75. Monetary Authority of Singapore (MAS)	Singapore	This CF standard sets a generic requirement for communication and information exchange among members of an IAIG supervisory college. This is already briefly mentioned in ICP25.6.10. If this ComFrame standard is deemed necessary, we	

		suggest for additional CF guidance to be drafted to provide additional clarity on the expectations for the types of information which should be exchanged regularly among members of an IAIG supervisory college, beyond the types of information exchanged at non-IAIG supervisory colleges.	
76. National Association of Insurance Commissioners (NAIC)	USA, NAIC	CF25.6b should be deleted as it states the obvious and adds no value. Communication and exchange of information for any group, including IAIGs, is already covered by the ICPs.	
<b>81 - Q81 Standard CF25.6b</b>			
<b>Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?</b>			
78. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
80. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance regulators have the power to establish and participate in group-wide supervision including supervisory colleges; information is exchanged by participation in the college and is subject to confidentiality agreements.
<b>82 - Q82 Standard CF25.6b</b>			
<b>What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q81 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
82. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already done in practice by U.S. state insurance regulators.	
<b>83 - Q83 Standard CF25.6b</b>			
<b>What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q81 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
84. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already done in practice by U.S. state insurance regulators.	
<b>84 - Q84 Standard CF25.6b</b>			
<b>Please provide the assumptions made to estimate the one-time costs (Q82) and the ongoing costs per year (Q83).</b>			
86. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	

<b>85 - Q85 Standard CF25.6b</b>			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
89. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
<b>98 - Q98 Comment on Standard CF25.7a</b>			
101. Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Germany - BAFIN	Please add "only if needed" so it reads "The group-wide supervisor establishes a crisis management group only if needed with the objective of enhancing preparedness for, and facilitating the recovery and resolution of the IAIG."  From our perspective it is overdone to establish for all cross border insurance groups a CMG.	
102. National Association of Insurance Commissioners (NAIC)	USA, NAIC	While we recognize that a CMG is only required for IAIGs, there seems to be a bit of disconnect between this ComFrame material and what is in ICP 25.7 and its guidance, which has no mention of crisis management groups. It may be helpful in the ICP 25.7 guidance to include something that mentions how forming a crisis management group may be one way to help coordinate crisis management preparations, if appropriate for that particular insurance group.	
<b>99 - Q99 Standard CF25.7a</b>			
Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
103. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
105. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Yes	U.S. state insurance regulators have authority to establish crisis management plans through supervisory colleges. Additionally, the U.S. Federal Reserve requires Crisis Management Groups for those insurers which qualify as SIFIs, and these are held in coordination with states regulators – often in connection with supervisory colleges.
<b>100 - Q100 Standard CF25.7a</b>			
What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q99 that would have to be made solely for purposes of ComFrame (please specify the currency)?			

106. Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Germany - BAFIN	From our perspective it is overdone to establish for all cross border insurance groups a CMG. We propose to add "only if needed": "CF25.7a The group-wide supervisor establishes a crisis management group only if needed with the objective of enhancing preparedness for, and facilitating the recovery and resolution of the IAIG."	
108. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already in practice by U.S. state insurance regulators.	
<b>101 - Q101 Standard CF25.7a</b>			
<b>What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q99 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
110. National Association of Insurance Commissioners (NAIC)	USA, NAIC	None, this is already in practice by U.S. state insurance regulators.	
<b>102 - Q102 Standard CF25.7a</b>			
<b>Please provide the assumptions made to estimate the one-time costs (Q100) and the ongoing costs per year (Q101).</b>			
112. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Not applicable.	
<b>103 - Q103 Standard CF25.7a</b>			
<b>Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).</b>			
115. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No benefit	No additional benefit attributable solely to ComFrame as U.S. state insurance regulators already perform this.
<b>104 - Q104 Comment on Guidance CF25.7a.1</b>			
116. Monetary Authority of Singapore (MAS)	Singapore	We suggest for CF25.7a.1 to include some guidance on the criteria for 'relevant major jurisdictions' in CF25.7a.1. Examples include premium volume, number of entities in a particular jurisdiction, nature and complexity of business written in a particular jurisdiction, etc.	
117. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Based on experience in the U.S., policyholder protection schemes may play an important role in developing or assessing resolution strategies for complex groups, and therefore may be appropriate to include within a crisis management group and other coordination efforts. Suggest adding to the end of this paragraph: "A supervisor may consider involving or consulting a PPS during the course of a CMG, where appropriate."	

<b>105 - Q105 Comment on Guidance CF25.7a.2</b>			
118. National Association of Insurance Commissioners (NAIC)	USA, NAIC	It is not clear what this guidance is about – what name would a crisis management group have in the first place? Is the idea here that the form of a crisis management group may vary from group to group but they should still serve the same function?	
<b>106 - Q106 Comment on Guidance CF25.7a.3</b>			
119. Monetary Authority of Singapore (MAS)	Singapore	We suggest for CF25.7a.3 to include some examples on the 'conditions as to the composition of membership'. Examples include premium volume, number of entities in a particular jurisdiction, nature and complexity of business written in a particular jurisdiction, etc	
<b>107 - Q107 Comment on Guidance CF25.7a.4</b>			
<b>108 - Q108 Comment on Guidance CF25.7a.5</b>			
120. Komisja Nadzoru Finansowego - KNF (Polish Financial Supervision Authority)	Poland	It is not clear how this concept of resolvability of the IAIG should be understood	
121. Monetary Authority of Singapore (MAS)	Singapore	Given the potentially large number of authorities involved, we suggest for the IAIG CMG to only keep under active review the progress in coordination and information sharing within the IAIG CMGs, and with host resolution authorities in relevant major jurisdictions that are not represented in the IAIG CMG.	
<b>109 - Q109 Comment on Standard CF25.7b</b>			
122. Monetary Authority of Singapore (MAS)	Singapore	<p>ICP 25.5 requires the group-wide supervisor to set a written coordination agreement. We are of the view that the standard and guidance set out in CF 25.7b should not be unique to IAIGs or CMGs, and hence should also be applied to non-IAIGs. We suggest for ICP 25.5 to be amended accordingly (and CF 25.7b to be subsequently removed).</p> <p>If CF 25.7b is to remain, we suggest to amend it to require a “written coordination agreement” so as to align with ICP 25.5.</p>	
<b>110 - Q110 Standard CF25.7b</b>			
<b>Do you currently impose requirements on IAIGs such that they would have to achieve the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to legislation, standards, supervisory processes or structures) and to what extent would those changes have to be made solely for the purpose of ComFrame?</b>			
124. Bank Negara Malaysia	Malaysia	No	Currently, Bank Negara Malaysia is not a group-wide supervisor for any IAIGs.
126. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Partially	U.S. state regulators have authority to establish crisis management plans through supervisory colleges and to participate in group-wide supervision of internationally active insurance



			groups; however, while an agreement may be put in place on an ad hoc basis, it is not formally required.
<b>111 - Q111 Standard CF25.7b</b>			
<b>What are the one-time (initial) costs to the Insurance Supervisory Authority associated with the changes described in the answer to Q110 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
128. National Association of Insurance Commissioners (NAIC)	USA, NAIC	It is difficult to estimate costs that would be involved in putting in place and maintaining a coordination agreement amongst CMG members, but it would likely be relatively minimal and perhaps just seen as part of the costs and operations of a supervisory college.	
<b>112 - Q112 Standard CF25.7b</b>			
<b>What are the ongoing costs to the Insurance Supervisory Authority per year (excluding one-time costs) associated with the changes described in the answer to Q110 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
130. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q111.	
<b>113 - Q113 Standard CF25.7b</b>			
<b>Please provide the assumptions made to estimate the one-time costs (Q111) and the ongoing costs per year (Q112).</b>			
132. National Association of Insurance Commissioners (NAIC)	USA, NAIC	See response to Q111.	
<b>114 - Q114 Standard CF25.7b</b>			
<b>Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).</b>			
135. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Reasonably beneficial	The coordination agreement concept is new for IAIG CMGs and there appears to be some benefit to entering into an agreement in this regard.
<b>115 - Q115 Comment on Guidance CF25.7b.1</b>			
136. Monetary Authority of Singapore (MAS)	Singapore	Please see comment in CF25.7b	
<b>116 - Q116 Comment on Guidance CF25.7b.2</b>			
137. Monetary Authority of Singapore (MAS)	Singapore	Please see comment in CF25.7b	



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## Compiled Comments from Stakeholders on *ComFrame material integrated with ICP 25*

03-Mar-17 to 02-Jun-17

Organisation	Jurisdiction	Answer	Answer Comments
<b>31 - Q31 General Comment on ComFrame material in ICP 25</b>			
126. International Actuarial Association	International		The ComFrame material provided appears appropriately placed and worded (apart from the comment on CF25.6a.3 provided above).

128. American Insurance Association	USA	The benefits of cooperation and coordination are many, and include timely exchange of critical information, better understanding of insurance groups, efficient use of resources, and more effective supervisory colleges. Unfortunately, this portion of the consultation package is the least developed; and yet, it should be the more important area for supervisors. This ICP fails to provide guidance on how to cooperate and coordinate when establishing a supervisory college, for selecting a group-wide supervisor, and for evaluating and recognizing each other's regulatory regime. Without addressing these more fundamental aspects of cooperation and coordination, AIA believes it is premature to entertain any discussion about crisis management groups, and certainly premature to propose supervisory guidance.
129. Liberty Mutual Insurance Group	USA	Liberty Mutual supports efforts by supervisors to improve the effectiveness and efficiency of group supervision of IAIGs. Supervisors need to understand how each IAIG conducts its business activities, measures and manages risk, and evaluates its capital needs, among other important factors. The IAIS can best ensure this understanding among supervisors by focusing on how better to coordinate supervision of large insurers. Much can be accomplished by building a framework that fosters collaboration and coordination, focuses on improved processes and outcomes, and affords flexibility in supervising large insurance organizations. An essential part of such an improved system is the effective and consistent use of supervisory colleges to enhance meaningful engagement between supervisors and management and to promote a better understanding of an IAIG's business. ICP 25 is generally consistent with these goals.
<b>43 - Q43 Comment on Guidance CF25.1a.1</b>		
146. General Insurance Association of Japan	Japan	As ICP 25.1.1 and 25.1.2 address the identification of a group-wide supervisor, it is unnecessary to have a provision specifically for IAIGs. Therefore, this guidance should be deleted.
147. ACLI	US	As noted in our comments under ICP 10, the governance and regulatory structures extant in the differing jurisdictions need to be taken into account more clearly in any discussion of the "Head of the IAIG". It should be explicitly recognized that a supervisory regulator does not need sweeping, specific powers to carry out the functions set forth in ICP 25. In addition, the terms "direct powers" and "indirect powers" (used elsewhere in the new ICPs) need to be carefully defined.
148. Liberty Mutual Insurance Group	USA	<p>This language should be deleted, because it fails to acknowledge that insurance supervisors in only a very few jurisdictions have direct power over the Head of an IAIG, particularly with respect to enforcing the ComFrame material under ICP 10.</p> <p>In the U.S., insurance supervisory power is shared among all regulators in which an insurance entity in the IAIG is domiciled and there is only limited power over the Head of an IAIG (such as requiring the Head of the IAIG to file an ERM report). Providing a U.S. supervisor with broad direct authority over the Head of an IAIG would require radical change to this current U.S. multi-jurisdictional and entity-based approach to regulation.</p>

149. Property Casualty Insurers Association of America (PCI)	USA	CF 25.1a.1 should be deleted. The IAIS has identified a narrow set of specific powers the group-wide supervisor should be able to apply directly to the Head of the IAIG. As written, this suggests a much broader expectation on direct powers in ComFrame which is not appropriate. Additionally, as this is the only ComFrame guidance on this topic, it seems to overemphasize this factor in determining who should be the group-wide supervisor for an IAIG.	
<b>70 - Q70 Comment on Standard CF25.6a</b>			
178. Global Federation of Insurance Associations	Global	The ComFrame Standard on supervisory colleges should promote the objective of ICP 25 of “effective supervision of insurers operating on a cross-border basis” and result in consistent and coherent supervisory outcomes for insurers.	
180. General Insurance Association of Japan	Japan	In order to ensure the flexible operation of supervisory colleges where appropriate, the frequency of supervisory college meetings should be “basically” annually rather than “at least” annually.	
181. Institute of International Finance/Geneva Association	United States/Switzerland	The standards and guidance surrounding the establishment and function of the supervisory college (CF26.6a to CF25.6b) should apply equally to all groups and not just IAIGs.	
<b>71 - Q71 Standard CF25.6a</b> <b>Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?</b>			
183. General Insurance Association of Japan	Japan	Yes	
<b>72 - Q72 Standard CF25.6a</b> <b>What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q71 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
<b>73 - Q73 Standard CF25.6a</b> <b>What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q71 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
<b>74 - Q74 Standard CF25.6a</b> <b>Please provide the assumptions made to estimate the one-time costs (Q72) and the ongoing costs per year (Q73).</b>			
<b>75 - Q75 Standard CF25.6a</b>			

Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
185. General Insurance Association of Japan	Japan	No benefit	
186. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
187. Swiss Re	Switzerland	Very beneficial	The supervisory college effectively facilitates cooperation and coordination. Cooperation and coordination are essential when supervising large, international insurers. The collaborative approach of the supervisory college should be taken forward into the more routine interactions among all involved supervisors.
188. Zurich Insurance Company Ltd.	Switzerland	Very beneficial	The supervisory college effectively facilitates cooperation and coordination. Cooperation and coordination are essential when supervising large, international insurers. The collaborative approach of the supervisory college should be taken forward into the more routine interactions among all involved supervisors.
<b>76 - Q76 Comment on Guidance CF25.6a.1</b>			
189. Global Federation of Insurance Associations	Global	This guidance should not only be a ComFrame requirement - the first meeting of the supervisory college should take place in a timely manner irrespective of whether the insurer is an IAIG.	
<b>77 - Q77 Comment on Guidance CF25.6a.2</b>			
190. Insurance Europe	Europe	Insurance Europe agrees. However, it is unclear why the priorities listed are specified for IAIG's only and not applicable to all groups.	
191. Global Federation of Insurance Associations	Global	If a supervisory college is meeting annually (CF25.6a), the coordination agreements for the year ahead should be confirmed and not just discussed at the initial meeting (bullet point 3 of CF25.6a.2).  It is unclear why these priorities should only be the priorities of the supervisory college of the IAIG and not supervisory colleges generally.	
<b>78 - Q78 Comment on Guidance CF25.6a.3</b>			
<b>79 - Q79 Comment on Guidance CF25.6a.4</b>			
<b>80 - Q80 Comment on Standard CF25.6b</b>			
192. General Insurance Association of Japan	Japan	The Field Testing questions regarding this standard are for supervisors, and we are not in a position to answer.	

193. Swiss Re	Switzerland	We would appreciate more concrete guidance. What is meant by "ongoing basis"? We propose the following wording: "The members of the IAIG supervisory college communicate and exchange information as needed in the course of carrying out their supervisory duties, as long as there are no legal or operational impediments to doing so".	
194. Zurich Insurance Company Ltd.	Switzerland	We would appreciate more concrete guidance. What is meant by "ongoing basis"? We propose the following wording: "The members of the IAIG supervisory college communicate and exchange information as needed in the course of carrying out their supervisory duties, as long as there are no legal or operational impediments to doing so".	
<b>81 - Q81 Standard CF25.6b</b>			
Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
<b>82 - Q82 Standard CF25.6b</b>			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q81 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
<b>83 - Q83 Standard CF25.6b</b>			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q81 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
<b>84 - Q84 Standard CF25.6b</b>			
Please provide the assumptions made to estimate the one-time costs (Q82) and the ongoing costs per year (Q83).			
<b>85 - Q85 Standard CF25.6b</b>			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
197. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
<b>98 - Q98 Comment on Standard CF25.7a</b>			
214. Insurance Europe	Europe	Insurance Europe agrees with the provisions made, however it believes the crisis management group should not be mandatory, in particular when a supervisory college is in place.	
215. General Insurance Association of Japan	Japan	We oppose the proposed uniform regulatory burden which requires establishment of a crisis management group for all IAIGs, including those that are soundly managed. Without CMGs, the purpose can be served through the supervisory college's coordination arrangements between involved supervisors. Even if establishment of CMGs were to be	

		considered, the scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.	
216. ACLI	US	<p>This is an area where it is imperative that regulatory supervisors consult with the management of the regulated entity/IAIG. Experience has clearly demonstrated the value to supervisory regulators of the information, insights and understanding of the businesses and risks that can only come from meaningful interaction with management.</p> <p>Any crisis management planning should take into account the scope, size, and complexity of the regulated entity and/or insurance group.</p>	
217. Property Casualty Insurers Association of America (PCI)	USA	See comment on ICP 25.7.	
<b>99 - Q99 Standard CF25.7a</b>			
<b>Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?</b>			
218. General Insurance Association of Japan	Japan	No	
<b>100 - Q100 Standard CF25.7a</b>			
<b>What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q99 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
<b>101 - Q101 Standard CF25.7a</b>			
<b>What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q99 that would have to be made solely for purposes of ComFrame (please specify the currency)?</b>			
<b>102 - Q102 Standard CF25.7a</b>			
<b>Please provide the assumptions made to estimate the one-time costs (Q100) and the ongoing costs per year (Q101).</b>			
<b>103 - Q103 Standard CF25.7a</b>			
<b>Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).</b>			
219. General Insurance Association of Japan	Japan	No benefit	



220. Canadian Institute of Actuaries	Ontario	Reasonably beneficial	
<b>104 - Q104 Comment on Guidance CF25.7a.1</b>			
221. Global Federation of Insurance Associations	Global	CF 25.7a.1 should allow flexibility in making decision whether an IAIG's CMG should include resolution authority; therefore, "and resolution authorities" should be replaced with "and, where appropriate, resolution authorities."	
222. The Life Insurance Association of Japan	Japan	It should allow flexibility in making decisions whether or not an IAIG's CMG should include resolution authority. Therefore, "and resolution authorities" should be replaced with "and, where appropriate, resolution authorities".	
223. National Organization of Life and Health Insurance Guaranty Associations(NOLHGA) and the National Conference of Insurance Guaranty Funds (NCIGF)	United States	<p>A policyholder protection scheme that has been involved in significant insurer insolvencies in its jurisdiction has valuable and often unmatched practical experience with resolutions. For that reason, policyholder protection schemes can and should play an important role in developing or assessing resolution strategies, and they should be part of or otherwise support crisis management groups and other coordination efforts. At a minimum, policyholder protection schemes could serve as a resource and sounding board to the regulators on a CMG. Among other things, a policyholder protection scheme may be able to point out obstacles or challenges to resolution strategies that others don't see. We also may be able to offer practical solutions based on our extensive insolvency experience.</p> <p>The U.S. guaranty system – both on its own and in conjunction with regulators and receivers – has continually planned for the contingency of large and complex receiverships. Some of that work (involving realistic, albeit hypothetical scenarios) has been done for training and preparedness reasons. More importantly, a great deal of preparatory work has been done for specific, real-world situations where regulators were preparing for the possible liquidation of large and complex multi-insurer groups that were experiencing financial challenges. Fortunately, the good work of regulators and others ultimately succeeded in resolving the problems of some of those entities (including General American in 1999, Conseco in 2002 and Security Benefit in 2009) without requiring the liquidation of their subsidiary insurers. In other instances (including Fremont Indemnity in 2003 and Lumbermens Mutual in 2013), close collaboration and planning by regulators and the guaranty system ensured a smooth transition to liquidation and coverage by the guaranty system. In addition, the U.S. National Organization of Life and Health Insurance Guaranty Associations was continually in consultation with NAIC leadership throughout the 2008-9 financial crisis about resolution steps that might have been necessary, had capital levels of major life insurance companies not remained as high as they did throughout a financial crisis that did so much damage to other sectors of the financial services industry.</p>	

		<p>More recently, the NAIC invited NOLHGA and NCIGF to attend meetings of the NAIC’s Receivership Financial Analysis (E) Working Group. The working group is charged with assisting and advising supervisors on appropriate regulatory strategies, methods and actions with regard to insurance receiverships.</p> <p>Because the guaranty system has been involved in almost all of the significant U.S. insurer insolvencies over the past 4 decades, it has a collective level of practical experience that can and should be used in connection with the resolution planning called for in ComFrame, including in connection with crisis management groups and other coordination efforts.</p>
224. Institute of International Finance/Geneva Association	United States/Switzerland	<p>Whether or not membership of a crisis management group for IAIGs should include resolution authorities in relevant major jurisdictions should be flexibly determined considering circumstances in each jurisdiction. Therefore, the IAIS should modify the current wording as follows:  “include resolution authorities in relevant major jurisdictions as necessary”</p>
225. ACLI	US	<p>ACLI agrees with the following joint position of the National Association of Life and Health Guaranty Associations and the National Conference of Insurance Guaranty Funds: A policyholder protection scheme that has been involved in significant insurer insolvencies in its jurisdiction has valuable and often unmatched practical experience with resolutions. For that reason, existing policyholder protection schemes can and should play an important role in developing or assessing resolution strategies, and they should be part of or otherwise support crisis management groups and other coordination efforts. At a minimum, policyholder protection schemes could serve as a resource and sounding board to the regulators on a CMG. Among other things, an existing policyholder protection scheme may be able to point out obstacles or challenges to resolution strategies that others don’t see. They also may be able to offer practical solutions based on our extensive insolvency experience.</p> <p>As support for our recommendation, we note that the U.S. guaranty system – both on its own and in conjunction with regulators and receivers – has continually planned for the contingency of large and complex receiverships. Some of that work (involving realistic, albeit hypothetical scenarios) has been done for training and preparedness reasons. More importantly, a great deal of preparatory work has been done for specific, real-world situations where regulators were preparing for the possible liquidation of large and complex multi-insurer groups that were experiencing financial challenges. Fortunately, the good work of regulators and others ultimately succeeded in resolving the problems of some of those entities (including General American in 1999, Consec in 2002 and Security Benefit in 2009) without requiring the liquidation of their subsidiary insurers. In other instances (including Fremont Indemnity in 2003 and Lumbermens Mutual in 2013), close collaboration and planning by regulators and the guaranty system ensured a smooth transition to liquidation and coverage by the guaranty system. In addition, the U.S. National Organization of Life and Health Insurance Guaranty Associations was continually in consultation with NAIC leadership throughout the 2008-9 financial crisis about resolution steps that might have been necessary, had capital levels of major life insurance companies not remained as high as they did throughout a financial crisis that did so much damage to other sectors of the financial services industry.</p>

		<p>More recently, the NAIC invited NOLHGA and NCIGF to attend meetings of the NAIC's Receivership Financial Analysis (E) Working Group. The working group is charged with assisting and advising supervisors on appropriate regulatory strategies, methods and actions with regard to insurance receiverships.</p> <p>Because the existing policyholder protection scheme has been involved in almost all of the significant U.S. insurer insolvencies over the past 4 decades, it has a collective level of practical experience that can and should be used in connection with the resolution planning called for in ComFrame, including in connection with crisis management groups and other coordination efforts.</p>
226. American Insurance Association	USA	<p>AIA agrees that Crisis Management Groups should include resolution authorities. Policyholder protection schemes, particularly guaranty fund associations as in the United States, have responsibilities, experience and expertise in areas in addition to being a mechanism to pay claims. Policyholder protection schemes have experience and expertise in handling the resolution of insurers and their potential involvement in resolution planning and execution should be recognized.</p>
<b>105 - Q105 Comment on Guidance CF25.7a.2</b>		
227. Canadian Institute of Actuaries	Ontario	<p>[CF25.7a.2] Minor point: It does not seem necessary to spell out that the crisis management group may be named differently. Presumably the same naming flexibility exists with respect to other constructs in the ICPs and ComFrame. We suggest deleting this paragraph.</p>
<b>106 - Q106 Comment on Guidance CF25.7a.3</b>		
<b>107 - Q107 Comment on Guidance CF25.7a.4</b>		
<b>108 - Q108 Comment on Guidance CF25.7a.5</b>		
228. Global Federation of Insurance Associations	Global	<p>This guidance describes recovery as the responsibility of the IAIG, not the supervisor. Therefore, it is unclear why recovery planning should be under active review by the IAIG CMG. Any review of the IAIG's recovery planning should be by the relevant involved supervisor.</p>
229. General Insurance Association of Japan	Japan	<p>While basically it is unnecessary to establish CMGs for IAIGs that are soundly managed, recovery and resolution planning for IAIGs except G-SIIs is also unnecessary. Therefore, reference to it should be deleted.</p> <p>Establishment of CMGs should be examined only under specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.</p>
230. Swiss Re	Switzerland	<p>We would strongly support a specific reference to the proportionality principle. The necessity, frequency and comprehensiveness of resolvability assessments should be carried out proportionally to the supervisor's assessment of the risks posed by an insurer.</p>
231. Zurich Insurance Company Ltd.	Switzerland	<p>We would strongly support a specific reference to the proportionality principle. The necessity, frequency and comprehensiveness of resolvability assessments should be carried out proportionally to the supervisor's assessment of the risks posed by an insurer.</p>
<b>109 - Q109 Comment on Standard CF25.7b</b>		

232. General Insurance Association of Japan	Japan	As this question is for supervisors, we are not in a position to answer.	
<b>110 - Q110 Standard CF25.7b</b>			
Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?			
<b>111 - Q111 Standard CF25.7b</b>			
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q110 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
<b>112 - Q112 Standard CF25.7b</b>			
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q110 that would have to be made solely for purposes of ComFrame (please specify the currency)?			
<b>113 - Q113 Standard CF25.7b</b>			
Please provide the assumptions made to estimate the one-time costs (Q111) and the ongoing costs per year (Q112).			
<b>114 - Q114 Standard CF25.7b</b>			
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).			
233. Canadian Institute of Actuaries	Ontario	Very beneficial	
234. Swiss Re	Switzerland	Very beneficial	Cooperation and coordination are essential when supervising large, international insurers. Coordination agreements, when carried out comprehensively and clearly and with the commitment of all signing members, are an effective means to ensure a coordinated supervisory response in times of crisis.
235. Zurich Insurance Company Ltd.	Switzerland	Very beneficial	Cooperation and coordination are essential when supervising large, international insurers. Coordination agreements, when carried out comprehensively and clearly and with the commitment of all signing members, are an effective means to ensure a coordinated supervisory response in times of crisis.
<b>115 - Q115 Comment on Guidance CF25.7b.1</b>			
<b>116 - Q116 Comment on Guidance CF25.7b.2</b>			